FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)

(An Exploration Stage Enterprise)

Condensed Interim Financial Statements
Six Months Ended January 31, 2013

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)

Condensed Interim Financial Statements
Six Months Ended January 31, 2013

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Finore Mining Inc. (the "Company") for the six months ended January 31, 2013 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim financial statements by an entity's auditor.

Finore Mining Inc.
(Formerly Otterburn Ventures Inc.)
(Expressed in Canadian Dollars, unless stated otherwise)
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)

	Note	January 31, 2013 $	July 31, 2012 $
ASSETS			
Current			
Cash and cash equivalents		129,763	222,687
Short-term investment		11,558	11,503
Other receivables		1,547	17,039
Prepaid expenses		19,512	29,037
Total Current Assets		162,380	280,266
Exploration and evaluation assets	4	9,350,110	5,895,343
TOTAL ASSETS		9,512,490	6,175,609
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		707,201	654,095
Total Current Liabilities		707,201	654,095
Shareholders' Equity			
Share capital	5	14,412,199	11,182,216
Share subscriptions received	12	87,200	-
Reserves		1,943,099	1,840,181
Accumulated deficit		(7,637,209)	(7,500,883)
Total Shareholders' Equity		8,805,289	5,521,514
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,512,490	6,175,609

Nature of Operations and continuance of operations	1
Commitments	10
Events After the Reporting Period	12

These condensed interim financial statements are authorized for issue by the Board of Directors on March 28, 2013. They are signed on the Company's behalf by:

"Savio Chiu", Director *"David Velisek"*, Director
Savio Chiu David Velisek

The accompanying notes are an integral part of these condensed interim financial statements.

FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)
(Expressed in Canadian Dollars, unless stated otherwise)
Condensed Interim Statements of Operation and Comprehensive Loss
(Unaudited – Prepared by Management)

	Note	Three Months Ended January 31, 2013 $	Three Months Ended January 31, 2012 $	Six Months Ended January 31, 2013 $	Six Months Ended January 31, 2012 $
EXPENSES					
Advertising and promotion		11,450	-	15,210	-
Amortization expense		-	57	-	114
Conference		-	3,500	-	4,502
Consulting fees		5,301	161,352	16,165	346,436
Insurance		2,600	3,375	5,200	6,750
Office and general		104	7,618	391	13,288
Professional fees		25,853	24,575	28,775	40,114
Share-based payments	5d	-	-	-	165,502
Transfer agent and filing fees		10,601	7,607	18,626	13,312
Travel and entertainment		-	22,739	-	28,129
Website maintenance		-	4,928	-	17,561
Loss before other income		(55,909)	(235,751)	(84,367)	(635,708)
Other income					
Gain (loss) on foreign exchange		24,839	-	(52,014)	(24,939)
Interest income		27	9,050	55	20,417
Net loss and comprehensive loss for the period		(31,043)	(226,701)	(136,326)	(640,230)
Basic and diluted (loss) per share		(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding – Basic and diluted		62,421,740	37,711,534	62,421,740	37,711,534

The accompanying notes are an integral part of these condensed interim financial statements

FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)
(Expressed in Canadian Dollars, unless stated otherwise)
Condensed Interim Statements of Changes in Equity
(Unaudited – Prepared by Management)

	Common Shares		Reserves						
	Number of Shares	**Amount**	**Other Reserve**	**Option Reserve**	**Warrant Reserve**	**Deferred Share-based Payments**	**Share Subscriptions Received**	**Deficit**	**Total Shareholder's Equity**
Balance – August 1, 2012	**34,920,775**	**9,199,648**	**3,499**	**1,348,857**	**322,875**	**(50,005)**	-	**(6,213,515)**	**4,611,359**
Issuance pursuant to mineral property option agreement	1,660,408	747,184	-	-	-	-	-	-	747,184
Mineral property option finders' fees	1,850,000	832,500	-	-	-	-	-	-	832,500
Share-based payments	-	-	-	115,497	-	50,005	-	-	165,502
Debt forgiveness	10,000	3,350	2,650	-	-	-	-	-	6,000
Net loss and comprehensive loss for the six months ended	-	-	-	-	-	-	-	(640,230)	(640,230)
Balance – January 31, 2012	**38,441,183**	**10,782,682**	**6,149**	**1,464,354**	**322,875**	**-**	**-**	**(6,853,745)**	**5,722,315**

	Number of Shares	Amount	Other Reserve	Option Reserve	Warrant Reserve	Deferred Share-based Payments	Share Subscriptions Received	Deficit	Total Shareholder's Equity
Balance – July 31, 2012	**40,007,983**	**11,182,216**	**6,149**	**1,511,157**	**322,875**	**-**	**-**	**(7,500,883)**	**5,521,514**
Issuance pursuant to mineral property option agreement	27,000,000	3,240,000	-	-	-	-	-	-	3,240,000
Debt forgiveness	-	-	102,918	-	-	-	-	-	102,918
Share issuance cost	-	(10,017)	-	-	-	-	-	-	(10,017)
Proceeds from share subscriptions	-	-	-	-	-	-	87,200	-	87,200
Net loss and comprehensive loss for the six months ended	-	-	-	-	-	-	-	(136,326)	(136,326)
Balance – January 31, 2013	**67,007,983**	**14,412,199**	**109,067**	**1,511,157**	**322,875**	**-**	**87,200**	**(7,637,209)**	**8,805,289**

The accompanying notes are an integral part of these condensed interim financial statements

FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)
(Expressed in Canadian Dollars, unless stated otherwise)
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
	$	$	$	$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Net loss for the period	(31,043)	(226,701)	(136,326)	(640,230)
Adjustment for items not involving cash:				
Share-based payments	-	-	-	165,502
Amortization expense	-	57	-	114
(Loss) on foreign exchange	(76,853)	-	-	24,939
Changes in non-cash operating working capital:				
(Increase) Decrease in receivables	(1,517)	20,303	15,492	5,616
(Increase) Decrease in prepaid expenses	(4,447)	46,242	9,525	40,308
Increase (Decrease) in accounts payable and accrued liabilities	(13,647)	4,614	71,958	46,745
Net cash flows used in operating activities	(127,507)	(155,485)	(39,351)	(377,006)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Short-term investment	(58)	594,625	(55)	1,736,383
Exploration and evaluation assets	32,910	(418,894)	(130,701)	(2,060,236)
Net cash flows from (used in) investing activities	32,852	175,731	(130,756)	(323,853)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from share subscriptions	87,200	-	87,200	-
Share capital, net of share issuance costs	(10,017)	-	(10,017)	-
Net cash flows from financing activities	77,183	-	77,183	-
Increase/ (Decrease) in cash and cash equivalents	(17,472)	20,246	(92,924)	(700,859)
Cash and cash equivalents, beginning of the period	147,235	62,531	222,687	783,636
Cash and cash equivalents, end of the period	129,763	82,777	129,763	82,777

Supplemental cash flow information (Note 6)

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Finore Mining Inc. (the "Company") was incorporated on November 29, 2006 pursuant to the Business Corporations Act, British Columbia. The Company's principal business activity is the exploration of mineral properties. On September 26, 2011, the Company changed its name from Otterburn Ventures Inc. to Finore Mining Inc. and the Company's common shares began trading on Canadian National Stock Exchange under the new symbol of "FIN." On April 9, 2012, the Company's shares have commenced trading in the United States on the OTC market's prestigious tier, OTCQX International under the symbol of "FNREF".

The head office, principal address and registered officer of the Company are located at Suite 1980, 1075 West Georgia Street, Vancouver, B.C., V6E 3C9.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The Company has a working capital deficiency as at January 31, 2013 of $544,821 (working capital deficiency as at July 31, 2012 - $373,829) and an accumulated deficit of $7,637,209 (July 31, 2012 - $7,500,883). These financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

2. SIGNIFICANT ACCOUNTING POLICIES

Conversion to International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB") confirmed in February 2008 that IFRS will replace Canadian Generally Accepted Accounting Policies ("CGAAP") for publicly accountable enterprises for financial periods beginning on or after January 1, 2011, with the option available to early adopt IFRS from periods beginning on or after January 1, 2009 upon receipt of approval from the Canadian Securities regulatory authorities.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Conversion to International Financial Reporting Standards (Cont'd)

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss and available-for-sale that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available on July 31, 2012, the Company's first annual reporting date. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements.

Interest Income

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Foreign Currencies

The Company's reporting and functional currency is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the statement of comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash. The cash and cash equivalents are denominated in Canadian dollars. There were no cash equivalents as at January 31, 2013 and July 31, 2012.

Short-Term Investment

Short-term investment, which is fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, is recorded at fair value. As at January 31, 2013, the Company has one short-term investment with $11,500 of principal and $58 of interest due on July 22, 2013 with an annual yield of prime minus 2.05%. As at July 31, 2012, the Company has one short-term investment with $11,500 of principal and $3 of interest due on July 22, 2013 with an annual yield of prime minus 2.05%.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the following annual rates:

Computer Equipment	Declining Balance method at 45% per annum
Office Equipment	Declining Balance method at 20% per annum

In the year of acquisition, amortization of the office equipment and computer equipment is recorded at one-half the normal rate.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Decommissioning and restoration liability

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company did not have any significant decommissioning and restoration obligations at January 31, 2013.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrants.

From time to time in connection with private placements, the Company issues warrants to agents ("Agent Warrants") as commission for services. Awards of Agent Warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants are issued. Any consideration received upon exercise of Agent Warrants is credited to share capital. The application of the fair value based method requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the Agent Warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Comprehensive loss

Comprehensive loss is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

Earnings/ (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are all anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods of January 31, 2013 and 2012.

Financial instruments – recognition and measurement

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash and cash equivalents and short-term investments are classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. As at January 31, 2013 and July 31, 2012, the Company has not classified any financial assets as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. As at January 31, 2013 and July 31, 2012, the Company has not classified any available for sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Account payables and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). At January 31, 2013 and July 31, 2012, the Company had not classified any financial liabilities as fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of non-financial assets (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes to the financial statements unless their occurrence is remote. Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements if their recovery is deemed probable.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Significant accounting judgments and estimates

The preparation of condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The provision for income taxes which is included in the statements of comprehensive loss and composition and quantification of deferred income tax assets and liabilities included in the statements of financial position.

b) The recoverability of exploration and evaluation assets in the statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting judgments and estimates (Cont'd)

c) The inputs used in accounting for share purchase option expense in the statements of comprehensive loss.

d) The estimated useful life and fair value of property and equipment which are included in the condensed interim statements of financial position and the related depreciation included in the condensed interim statements of operation and comprehensive loss.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the January 31, 2013 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

a) IFRS 9, Financial Instruments

The IASB has issued IFRS 9 Financial Instruments. This standard is the first step in the process to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. An investment in a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest, otherwise it is recognized at fair value through profit or loss. IFRS 9 was also updated to include guidance on financial liabilities and de-recognition of financial instruments. This guidance is similar to the guidance method included in IAS 39 relating to financial liabilities and de-recognition of financial instruments. The standard is not yet effective until periods beginning on or after January 1, 2015 but is available for early adoption. The Company has not yet determined the impact that IFRS 9 will have on its financial statements.

b) IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. This does not affect the Company's financial statements as the Company has no interests in other entities.

c) IFRS 13, Fair Value Measurements

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements, expect in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Company is currently assessing the impact of the standards on its financial statements.

The Company anticipates that the application of these standards, amendments and interpretations will have no material impact on the results and financial position of the Company.

3. EQUIPMENT

	Office Equipment $	Computer Equipment $	Total $
At July 31, 2011	936	2,867	3,803
	(936)	(2,867)	(3,803)
At July 31, 2012 and January 31, 2013	-	-	-

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Suskwa Mineral Claims – Omineca Mining Division, British Columbia, Canada

On March 26, 2008, the Company obtained an assignment of an option agreement (the "Suskwa Option Agreement") to acquire an undivided 100% interest in two mineral claims called the Suskwa Mineral Claims, located in the Omineca Mining Division, BC.

The payment, share issuance and exploration expenditure requirements are as follows:

	Date	Cash	Shares	Exploration Expenditures
Year 1	On September 30, 2007	$5,000 (*)		
	On March 31, 2008	$10,000 (*)		
	On March 28, 2008		100,000 (issued)	$ 50,000 (spent)
Year 2	On or before December 31, 2008	Nil	300,000 (issued)	$100,000 (spent)
Year 3	On September 30, 2009		100,000 (issued)	$100,000 (spent)
	On September 30, 2010	$40,000		
Year 4	On September 30, 2010	$50,000	100,000	$250,000

* Paid by assignor.

On September 29, 2010, the Company decided to terminate the Suskwa Option Agreement and returned the claims to the Optionor. As the result, the remaining outstanding option obligations were not fulfilled. The Company wrote off all the related exploration expenditures and acquisition costs of the Suskwa property totalling $436,378 in fiscal year July 31, 2010. As a condition to terminate the option agreement, the Company paid $12,000 to the Optionor on October 4, 2010 and the Optionor agreed to release the Company from leaving the claims in good standing for a period of at least 12 months from the date of termination.

Lake Victoria Mineral Claims, Tanzania, East Africa

On May 6, 2011, the Company entered into four option agreements (the "Lake Victoria Option Agreements") with Lake Victoria Mining Company, Inc. ("Lake Victoria"), whereby Lake Victoria has granted the Company the right to acquire up to an undivided 70% interest in and to certain primary mineral licenses and prospecting licenses owned by Lake Victoria known as the Singida Gold Project, North Mara Gold Project, Kalemela Gold Project and Geita Gold Project. On May 20, 2011, the Company issued 2,200,000 common shares at a fair value of $0.45 per share for a total of $990,000 pursuant to the Lake Victoria Option Agreements. On May 20, 2011, the Company also issued 2,000,000 common shares at a price of $0.45 per share as finders' fees.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

On July 8, 2011, the Company decided to terminate the Lake Victoria Option Agreements and returned the claims to Lake Victoria because initial exploration reports have indicated low level of mineralization among the four properties. As a result, the remaining outstanding option obligations were not fulfilled. The Company wrote off all the related exploration expenditures and acquisition costs of the Lake Victoria property in fiscal year July 31, 2011. As a condition to terminate the option agreement, the Company paid USD$16,492 (CAD$15,915) to Lake Victoria on September 22, 2011 to leave the respective licenses in good standing for a period of six months from the date of termination of the option agreements.

$3,271,663 write-off of mineral property expense was recorded during July, 31, 2011 year-end, related to the termination of the Lake Victoria Option Agreements.

Läntinen Koillismaa Mineral Claims, North-eastern Finland

Beginning Balance as at August 1, 2011	$	-
Acquisition Costs		3,979,218
Exploration Costs		
Assay Sampling		101,780
Consulting - geological		140,887
Consulting - administrative and general		36,337
Drilling		1,080,096
Office and general		94,823
Project administration		31,371
Reports		31,782
Surveying		329,979
Travel		69,070
Ending Balance July 31, 2012	**$**	**5,895,343**
Acquisition Costs		3,240,000
Exploration Costs		
Consulting - administrative and general		4,259
Office and general		11,913
Project administration		13,496
Surveying		152,960
Travel		32,139
Ending Balance January 31, 2013	**$**	**9,350,110**

On July 21, 2011, the Company entered into a binding letter of intent with Nortec Mineral Corp. ("Nortec"), whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the rights to 37 exploration claims owned by Nortec known as the Läntinen Koillismaa Project. The Company made a non-refundable deposit of $100,000 upon execution of the binding letter of intent. The binding letter of intent was replaced and superseded by the option agreement with Nortec (the "Nortec Option Agreement) dated August 24, 2011. The effective date of the Nortec Option Agreement is September 6, 2011 (the "Effective Date"), which is the date the TSX Venture Exchange accepted the filing of the option agreement.

The payment, share issuance and exploration expenditure requirements are as follows:

The Company can earn an initial 49% interest in the Läntinen Koillismaa Project by: a) making payments totalling $4.5 million in cash to Nortec; b) issuing the equivalent of $2 million in shares of the Company, subject to predetermined market value calculation; and c) spending $5 million on exploration within 24 months, including a minimum of $2 million in the first 12 months.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

The remaining 31% interest can be earned by the Company by: a) making a payment of $3 million in cash to Nortec on or before the third year anniversary from the Effective Date; b) issuing the equivalent of $1 million in shares of the Company to Nortec; and c) spending a further $5 million on exploration on the Läntinen Koillismaa Project

On August 24, 2011, the Company entered into the Nortec Option Agreement with Nortec, whereby Nortec has granted the Company the right to acquire up to an undivided 80% interest in the Läntinen Koillismaa Project. On September 7, 2011, the Company issued 1,660,408 common shares at a price of $0.45 and paid $900,000 option payment to Nortec. The Company also issued 1,850,000 common shares at $0.45 per share, for a total of $832,500 on September 7, 2011 as finder's fees in connection with the option. On April 19, 2012, the Company issued 1,566,800 common shares at a price of $0.255 to Nortec.

	Date	Cash	Shares	Exploration Expenditures
Year 1	On July 21, 2011	$100,000 (paid)	-	-
	On September 7, 2011	$900,000 (paid)	1,660,408 shares (issued)	-
	On March 6, 2012	$1,000,000 (paid)	1,566,800 shares(issued)	-
	On September 6, 2012	$1,250,000	$500,000	$2,000,000
Year 2	On March 6, 2013	$1,250,000	$500,000	-
	On September 6, 2013	-	-	$3,000,000
Year 3	On September 6, 2014	$3,000,000	$1,000,000	$5,000,000

Pursuant to the Nortec Option Agreement, the Company has also agreed to issue to Nortec 400,000 common shares of the Company within 5 business days of written confirmation to the Company that the mining claims noted as Haukiaho East Claims 1 to 5 have been registered in the name of Nortec.

On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec and the Company agreed to amend the right granted to the Company such that the Company can acquire 70% interest in and to the Läntinen Koillismaa Project by: a) issuing additional 27,000,000 shares of the Company; b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment; and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of director. As the result, the remaining outstanding option obligations under the Nortec Option Agreement were not fulfilled. On September 11, 2012, the Company issued 27,000,000 common shares at a price of $0.12 to Nortec.

On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Läntinen Koillismaa Project for, among other things, 41,000,000 shares of the Company. On February 19, 2013, the Company issued 41,000,000 shares at $0.025 per share to Nortec.

Furthermore, if the Company completes all of its obligations in the Second Amendment Agreement, and issues an additional 917,707 Shares to Nortec, the Company will be deemed to have exercised the option to acquire 100% interest in the Läntinen Koillismaa Project through acquiring Nortec's wholly owned Finnish subsidiary, Nortec Minerals Oy. Nortec Minerals Oy controls 100% interest in the Läntinen Koillismaa Project.

5. SHARE CAPITAL

a) **Authorized**: Unlimited common shares without par value.

b) **Issued and Outstanding:** At January 31, 2013, there were 67,007,983 common shares issued and outstanding (2012 – 40,007,983).

Details of common shares are as follows:

i. On May 10, 2011, the Company closed a non-brokered private placement. The private placement consisted of issuance of 15,065,775 units at a price of $0.45 per unit, for gross proceeds of $6,779,599. Each unit consists of one common share and one-half of one share purchase warrant. A total of 7,532,884 share purchase warrants were issued. Each whole warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.65 per share for a period of two years from the closing date of the private placement (the “Closing Date”). The Company also paid $440,443 ($436,801 in cash payment of finder’s fee and $3,642 in legal expense) share issuance costs and issued 970,667 non-transferable common share purchase warrants (the “Finder’s Warrants”) with exercise price of $0.55 per for a period of two years from the Closing Date. The finder’s warrants were valued at fair value of $322,875. The fair value of these warrants was $0.33 per unit where the market price at the date of grant is $0.46 and the fair value of each warrant granted is calculated using the Black-Scholes option pricing model assuming a risk-free interest of 1.72% and volatility of 160%.

ii. On May 20, 2011, the Company issued 2,200,000 common shares at a deemed value of $0.45 per share for a total of $990,000 pursuant to the Lake Victoria Option Agreement. The Company also issued 2,000,000 common shares at a price of $0.45 per share for a total of $900,000 to two finders on May 20, 2011.

iii. On September 7, 2011, the Company issued 1,660,408 common shares at a price of $0.45 for a total of $747,184 pursuant to the Nortec Option Agreement . The Company also issued 1,850,000 common shares at $0.45 per share for a total of $832,500 as finder’s fees in connection with the option.

iv. On October 25, 2011, the Company issued 10,000 common shares to the former CFO of the Company to settle the $6,000 payment due to the former CFO.

v. On April 20, 2012, the Company issued 1,566,800 common shares at a price of $0.255 for a total of $399,534 pursuant to the Nortec Option Agreement.

vi. On September 11, 2012, the Company issued 27,000,000 common shares at a price of $0.12 for a total of $3,240,000 pursuant to the Nortec Option Amendment.

c) **Share Purchase Warrants**

The continuity of warrants for the period ended January 31, 2013 is as follows:

	January 31, 2013		**July 31, 2012**	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Warrants outstanding, beginning and end of period	8,503,551	$ 0.64	8,503,551	$ 0.64

5. SHARE CAPITAL (Cont'd)

Full share equivalent warrants outstanding and exercisable at of January 31, 2013:

Expiry Date	Price Per Share	Warrants Outstanding
May 10, 2013	$ 0.65	7,532,884
May 10, 2013	$ 0.55	970,667
		8,503,551

d) Stock Options

The Company has a stock option plan (the "Stock Option Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

The continuity of stock options for the period ended January 31, 2013 is as follows:

	January 31, 2013		July 31, 2012	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding, beginning of period	2,650,000	$ 0.46	2,750,000	$ 0.46
Granted	-	-	600,000	$ 0.46
Expired / Cancelled	-	-	(700,000)	$ 0.46
Options outstanding, end of period	2,650,000	$ 0.46	2,650,000	$ 0.46
Options exercisable, end of period	2,650,000	$ 0.46	2,650,000	$ 0.46

The options outstanding and exercisable at January 31, 2013 are as follows:

Range of Exercise Prices	Outstanding and Exercisable Options		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$0.46	1,950,000	$0.46	3.28
$0.46	100,000	$0.46	3.29
$0.46	450,000	$0.46	3.67
$0.45	150,000	$0.45	1.01
	2,650,000	$0.46	3.22

5. SHARE CAPITAL (Cont'd)

On May 11, 2011 the Company granted 2,650,000 options to the officers, directors and consultants of the Company pursuant to the Company's Stock Option Plan. The options are exercisable at $0.46 per share and will expire on May 11, 2016. The exercise price is the same as the market price at the date of grant. 2,537,500 options vested immediately, while the remaining 112,500 options, issued for an investor relation agreement (the "Investor Relation Agreement"), carry the following vesting schedule:

Number of Vesting Options	Vesting Date
37,500	August 11, 2011
37,500	November 11, 2011
37,500	February 11, 2012
112,500	

On May 16, 2011, the Company granted 100,000 options to a consultant of the Company. The options are exercisable at $0.46 per share and will expire on May 16, 2016.

On September 1, 2011 the Company cancelled 250,000 vested options granted to a consultant on May 11, 2011.

On September 30, 2011 the Company terminated the Investor Relation Agreement. As a result, 150,000 options were forfeited on October 30, 2011. Share-based payments of $8,794 was reversed.

On October 3, 2011 the Company granted 450,000 options to the CEO and director of the Company. The options are exercisable at $0.46 per share and will expire on October 3, 2016. The fair value of the options awarded, estimated using the Black-Scholes option pricing model, is $124,291.

On October 11, 2011, the Company terminated a consulting agreement. As a result, 300,000 options were forfeited. The Company recorded $50,005 of share-based payments.

On February 2, 2012, the Company granted 150,000 options, vesting immediately, to a consultant of the Company pursuant to the Company's Stock Option Plan. The options are exercisable at $0.45 per share and will expire on February 2, 2014. The fair value of the options awarded, estimated using the Black-Scholes option pricing model, is $46,803.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following weighted average assumptions:

	2012	2011
Risk-free interest rate	0.99% - 1.31%	2.23% - 2.55%
Dividend yield	-	-
Expected volatility	123% - 177%	124%
Expected option life	2 - 5 years	4.78 - 5 years
Forfeitures	-	-

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. The Company uses expected volatility rate which was based upon historical volatility rates of comparative companies in the same industry.

5. SHARE CAPITAL (Cont'd)

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing includes:

		January 31, 2013	July 31, 2012
Shares issued for exploration and evaluation assets	a	$ 3,240,000	$ 1,146,718
Shares issued for exploration and evaluation assets finders' fees	b	-	$ 832,500
Share-based payments	c	-	$ 212,305
Exploration and evaluation assets in accounts payable	d	$ 536,424	$ 452,358
Shares for debt settlement	e	-	$ 3,500

a. In fiscal 2012, 1,660,408 shares were issued at a fair price of $0.45 and 1,566,800 shares were issued at a fair price of $0.255 for a combining total of $1,146,718. In fiscal 2011, 2,200,000 were shares issued at a fair price of $0.45 per share for a total of $990,000 pursuant to the Lake Victoria Option Agreements (see Note 4).

   During the six months ended January 31, 2013, 27,000,000 common shares were issued at a fair price of $0.12 for a total of $3,240,000 pursuant to the Nortec Option Amendment.

b. In fiscal 2012, 1,850,000 shares were issued at a fair price of $0.45 as finder's fees in connection with the Läntinen Koillismaa Project option. In fiscal 2011, 2,000,000 shares were issued at a fair price of $0.45 per share for a total of $900,000 as finders' fees in connection with the Lake Victoria Option (see Note 4).

c. In fiscal 2012, 600,000 options were granted to a director and a consultant of the Company as well as 700,000 options were cancelled pursuant to the Company's Stock Option Plan (see Note 5).

d. In fiscal 2012, $452,358 of the accounts payable at year-end is related to the Läntinen Koillismaa Project. During the period ended January 31, 2013, $536,424 of the accounts payable at the period is related to the Läntinen Koillismaa Project.

e. On October 25, 2011, the Company issued 10,000 common shares to the former CFO of the Company to settle the $6,000 payment due to the former CFO.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at January 31, 2013, the Company's shareholders' equity was $8,805,289 (July 31, 2012 - $5,521,514). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

7. CAPITAL MANAGEMENT (Cont'd)

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended January 31, 2013. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At January 31, 2013, the Company's financial instruments consist of cash and cash equivalents, short-term investments and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, short-term investments and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The Company classifies its cash and cash equivalents and short-term investments as FVTPL and accounts payable and accrued liabilities as other financial liabilities.

Classification of Financial Instruments:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at January 31, 2013 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, January 31, 2013 $	Balance, July 31, 2012 $
Cash and cash equivalents	129,763	–	–	129,763	222,687
Short-term investment	11,558			11,558	11,503

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments and loan payable.

(b) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(c) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euro, Pounds Sterling, Swedish Krona, Swiss Franc and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollars, the US dollar, European Euro, Pounds Sterling, Swedish Krona and Swiss Franc. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

At January 31, 2013 and July 31, 2012, the Company's US dollars, Pounds Sterling, and European Euro, Swedish Krona denominated monetary assets and monetary liabilities are as follows:

	January 31, 2013		July 31, 2012	
Monetary Liabilities				
Account payables and	USD $	10,000	USD $	19,750
accrued liabilities	GBP £	7,447	GBP £	35,402
	EURO €	407,606	EURO €	362,068
	SEK	-	SEK	38,530

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash and cash equivalents that might be raised from equity financings.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Six Months Ended January 31	
		2013	**2012**
Compensation benefits to key management	a	-	$ 72,904
Transmax Investing	b	-	$ 27,000
Baron Global Financial Canada Ltd.	c	$ 3,285	$ 105,340
Geolaurian Consultants Limited	d	-	$ 93,445
Share-based payments	e	-	$124,291
Debt settlement	f	-	$ 6,000

a) On April 1, 2011, the Company entered into an amended consulting services agreement with Peter Hughes, a director of the Company, for providing corporate management services (the "Corporate Management Services"). The term of agreement is 36 months beginning April 1, 2011 and the Company agreed to pay $6,500 plus applicable taxes per month for the Corporate Management Services provided. The consulting fee increased to $8,000 plus applicable taxes per month on October 1, 2011. On August 1, 2012, the consulting services agreement was amended and the monthly consulting fee was eliminated. The Company will be invoiced by Mr. Hugh on a monthly basis for any of the Corporate Management Services provided. On August 28, 2012, Peter Hughes has released the Company from all outstanding payable of $26,880 due to Mr. Hughes.

   On August 1, 2011, the Company entered into an amended consulting agreement with Steven Green, the Company's president, for providing geological consulting services (the "Geological Consulting Services"). The term of the agreement is 5 months and 20 days commencing on May 11, 2011 and terminating on October 31, 2011 and the Company agreed to pay $12,000 per month from May 2011 to July 2011 and $6,000 per month from August 2011 to October 2011 for the Geological Consulting Services provided. On October 31, 2011, the Company extended the term for a six month period and the consulting fee decreased to USD $3,250 per month effective November 1, 2011. On August 1, 2012, Steven Green has released the Company from all outstanding payable of $9,778 due to Mr. Green.

b) On April 1, 2011 the Company entered into a consulting services agreement with Transmax Investing, a company owned by David Eaton, a director of the Company, for providing corporate communication services (the "Corporate Communication Services"). The term of the consulting services agreement is 36 months beginning April 1, 2011 and the Company will pay $4,500 plus applicable taxes per month for the Corporate Communication Services provided. On August 1, 2012, the consulting services agreement was amended and the monthly consulting fee was eliminated. The Company will be invoiced by Transmax Investing on a monthly basis for any of the Corporate Communication Services provided. On September 1, 2012, Transmax Investing released the Company from all outstanding payable of $40,120 due to Transmax Investing.

9. RELATED PARTY TRANSACTIONS (Cont'd)

c) On June 1, 2010, the Company entered into an advisory agreement with a Baron Global Financial Canada Ltd., a company affiliated to a director and the CFO of the Company to provide accounting and administrative services (the "Advisory Services"). The term of agreement is 12 months and the Company will be charged $5,000 cash fee plus applicable taxes per month for the Advisory Services provided. The fees increased to $15,000 plus applicable tax per month commencing June 2011. A director of the Company is also the chairman of the consulting firm. For the period ended January 31, 2013, the Company has paid geological consulting fees of $3,285 (2012 – $12,375).

d) On October 3, 2011, the Company entered into a consulting agreement with Geolaurian Consultants Ltd., a company owned by Ian Laurent, the CEO and director of the Company, for providing geological strategic planning and executive management services. The term of the agreement is 3 years beginning October 3, 2011 and the Company pays £11,650 per month for the geological and management services provided. On September 10, 2012, Geolaurian Consultants Ltd. released the Company from all outstanding payable of $54,897 due to Geolaurian Consultants Ltd. The consulting agreement signed on October 3, 2011 was terminated on September 10, 2012. The Company and Geolaurian Consultants Ltd. entered into a new consulting agreement for providing geological consulting services. The term of the agreement is 12 months expiring on July 31, 2013. Geolaurian Consultants Ltd. will invoice the Company on a monthly basis for any of the geological consulting services provided.

e) On October 3, 2011, the Company granted 450,000 options to the CEO and director of the Company. Each option will entitle the purchase of one common share of the Company at a price of $0.46 for a period of five years from the date of issuance. The fair value of the share options awarded, estimated using the Black-Scholes option pricing model, was $0.28 per option. Refer to Note 5 (d).

f) On October 25, 2011, the Company issued 10,000 common shares at $0.335 per share to Barry Foster, the former CFO of the Company to settle the $6,000 payment due to the former CFO.

g) During the period ended January 31, 2013, management and consulting fees of $102,918 were forgiven by an officer and former directors of the Company.

Related Party Payable:

	January 31, 2013	**July 31, 2012**
Baron Global Financial Canada Ltd.	$ 19,658	$ 18,337
Geolaurian Consultants Limited	$ 721	$ 54,897
Peter Hughes	-	$ 26,880
Steven Green	-	$ 9,778
Transmax Investing	-	$ 40,120

These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

10. COMMITMENTS

See Note 4 and 9.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. Geographic information of the Company's capital assets comprising exploration properties and equipment is as follows:

		January 31, 2013		July 31, 2012
Mineral properties				-
Canada	$	-	$	-
Finland		9,350,110		5,895,343
	$	9,350,110	$	5,895,343

12. EVENTS AFTER THE REPORTING PERIOD

a) On February 19, 2013, the Company closed a non-brokered private placement previously announced on January 16, 2013. The private placement consisted of issuance of 30,800,000 common shares of the Company at a price of $0.025 per share, for gross proceeds of $770,000.

b) On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Läntinen Koillismaa Project for, among other things, 41,000,000 shares of the Company. On February 19, 2013, the Company issued 41,000,000 shares at $0.025 per share to Nortec.

   Furthermore, if the Company completes all of its obligations in the Second Amendment Agreement, and issues an additional 917,707 Shares to Nortec, the Company will be deemed to have exercised the option to acquire 100% interest in the Läntinen Koillismaa Project through acquiring Nortec's wholly owned Finnish subsidiary, Nortec Minerals Oy. Nortec Minerals Oy controls 100% interest in the Läntinen Koillismaa Project.

c) On April 1, 2013, the Company closed a non-brokered private placement previously announced on March 26, 2013. The private placement consisted of issuance of 13,583,333 common shares of the Company at a price of $0.03 per share, for gross proceeds of $407,500.