
Triumph Ventures III Corporation

(a capital pool corporation)

Condensed Interim Financial Statements

For the three months ended October 31, 2012

(Expressed in Canadian Dollars)

(unaudited)

Triumph Ventures III Corporation

Index

Index	.....	Page 1
Interim Condensed Balance Sheet	.....	Page 2
Three Month Interim Condensed Statement of Loss and Comprehensive Loss	.....	Page 3
Interim Condensed Statement of Changes in Equity	.....	Page 4
Interim Condensed Statement of Cash Flows	.....	Page 5
Notes to the Interim Condensed Financial Statements	.....	Pages 6 – 11

Note to Reader

The accompanying unaudited condensed interim financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these condensed interim financial statements.

Triumph Ventures III Corporation
(a capital pool company)
Condensed Balance Sheet
(Expressed in Canadian Dollars)
As At
(unaudited)

	Oct 31, 2012	Jul 31, 2012 (audited)
Current Assets		
Cash (note 3)	\$ 234,048	\$ 259,273
Total Assets	<u>\$ 234,048</u>	<u>\$ 259,273</u>
Liabilities		
Accounts payable and accrued liabilities	72,662	17,434
Total Liabilities	<u>72,662</u>	<u>17,434</u>
Shareholders' Equity		
Capital stock (note 4)	304,112	304,112
Contributed surplus	35,210	28,910
Deficit	(177,936)	(91,183)
Total Shareholders' Equity	<u>161,386</u>	<u>241,839</u>
Total Liabilities and Shareholders' Equity	<u>\$ 234,048</u>	<u>\$ 259,273</u>
Subsequent Events (note 8)		
Approved and authorized on behalf of the board:		
"Pierre Gagnor" Director (Signed)	"Peter Wanner" Director (Signed)	

The accompanying notes are an integral part of these financial statements

Triumph Ventures III Corporation					
(a capital pool company)					
Condensed Statement of Loss and Comprehensive Loss					
(Expressed in Canadian Dollars)					
For the 3-month periods ended October 31, 2012 and 2011					
(unaudited)					
		Oct 31, 2012	Oct 31, 2011		
Expenses					
	General and administrative	\$ 40,413	\$ -		
	Professional fees	40,040	-		
	Stock-based compensation (note 4)	6,300			
	Net loss and comprehensive loss	<u>\$ 86,753</u>	<u>\$ -</u>		
	Basic and diluted loss per common share (note 6)	<u>\$ 0.0500</u>	<u>\$ -</u>		
	Weighted average number of common shares outstanding (note 6)	<u>1,765,691</u>	<u>-</u>		

The accompanying notes are an integral part of these financial statements

Triumph Ventures III Corporation
(a capital pool company)
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Number of Shares	Capital Stock \$	Contributed Surplus \$	Deficit \$	Total Equity \$
Total Equity at January 19, 2011 (Date of Incorporation)	-	-	-	-	-
Issuance of capital stock (note 4)	1,150,000	115,000	-	-	115,000
Total Equity as at July 31, 2011 and October 31, 2011	1,150,000	115,000	-	-	115,000
Issuance of capital stock	1,765,691	353,138	-	-	353,138
Share issuance costs - cash (note 4)	-	(145,457)	-	-	(145,457)
Share issuance costs - agent warrants (note 4)	-	(18,569)	18,569	-	-
Graded fair value of options granted (note 4)	-	-	10,341	-	10,341
Loss for the period	-	-	-	(91,183)	(91,183)
Total Equity as at July 31, 2012	2,915,691	304,112	28,910	(91,183)	241,839
Graded fair value of options granted (note 4)	-	-	6,300	-	6,300
Loss for the Period	-	-	-	(86,753)	(86,753)
Total Equity as at October 31, 2012	2,915,691	304,112	35,210	(177,936)	161,386

The accompanying notes are an integral part of these financial statements

Triumph Ventures III Corporation					
(a capital pool company)					
Condensed Statement of Cash Flows					
(Expressed in Canadian Dollars)					
For the 3 month periods ended October 31, 2012 and 2011					
(unaudited)					
		Oct 31, 2012	Oct 31, 2011		
Cash Provided by (Used in)					
Operating activities					
	Loss for the period	\$ (86,753)		\$ -	
	Items not affecting cash:				
	Stock-based compensation	6,300		-	
	Changes in non-cash working capital item:				
	Accounts payable and accrued liabilities	55,228		-	
	Deferred share issuance costs	-		(74,910)	
	Net cash used in operating activities	(25,225)		(74,910)	
Financing activities					
	Issuance of capital stock	-		115,000	
	Net change in cash	\$ (25,225)		\$ 40,090	
	Cash, beginning of period	259,273		-	
	Cash, end of period	\$ 234,048		\$ 40,090	

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Triumph Ventures III Corporation
(a capital pool corporation)
(Expressed in Canadian Dollars)
Notes to Condensed Interim Financial Statements
October 31, 2012
(unaudited)

1. NATURE OF THE CORPORATION

Triumph Ventures III Corporation. (the "Company" or "Triumph") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011 and is classified as a Capital Pool Corporation ("CPC") as defined in TSX Venture Exchange Inc. (the "Exchange"). On February 29, 2012 the Corporation completed its initial public offering. The Company began trading on the Exchange on March 15, 2012 under the symbol TVP.P

The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange policy 2.4.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The Company is headquartered at 44 Greystone Crescent, Georgetown, Ontario, Canada, L7G 1G9.

On November 29, 2012, the Board of Directors approved the unaudited condensed financial statements for the three month period ended October 31, 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim financial statements present the Company's financial results of operations and financial position under International Financial Reporting Standards ("IFRS") as at and for the three month period ended October 31, 2012, including October 31, 2011 comparatives. As a result, they have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim financial statement should be read in conjunction with the Company's 2012 annual audited financial statement prepared in accordance with IFRS.

The accounting policies adopted in these unaudited condensed interim financial statements are consistent with those disclosed in the Company's audited financial statement for the year ended July 31, 2012, refer to these audited financial statements for significant accounting policies and future changes in accounting policies which remained unchanged as at October 31, 2012.

3. CASH RESTRICTION

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4. As at October 31, 2012 and July 31, 2012 the Company had exceeded this limit.

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Triumph Ventures III Corporation
(a capital pool corporation)
(Expressed in Canadian Dollars)
Notes to Condensed Interim Financial Statements
October 31, 2012
(unaudited)

4. CAPITAL STOCK

a) Authorized
Unlimited common shares

b) Issued

	Number of Shares	Capital Stock \$
As at January 19, 2011	-	-
Issued for cash	1,150,000	115,000
As at July 31, 2011 and October 31, 2011	1,150,000	115,000
Issued for cash (initial public offering)	1,765,691	353,138
Share issuance costs - cash		(145,457)
Share issuance costs - agent warrants		(18,569)
As at July 31, 2012 and October 31, 2012	2,915,691	304,112

The Company issued 1,150,000 seed shares during the period from date of incorporation (January 19, 2011) to July 31, 2011, which are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow upon completion of a Qualifying Transaction by the Company and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

c) Initial public offering (continued)

On February 29, 2012, the Company completed an initial public offering ("IPO") of 1,765,691 common shares at a price of \$0.20 per share for gross proceeds to the Company of \$353,138. In connection with this IPO, the agent received a cash commission of 10% of the gross proceeds of \$35,314 and 176,569 agent warrants to acquire 10% of the aggregate numbers of shares sold, at an exercise price of \$0.20 per common share, expiring 24 months from the date of listing of the common shares on the TSX Venture Exchange. In the absence of a reliable measurement of the agent services received, the services were measured at the fair value of the agent warrants issued. The fair value of the agent warrants granted of \$18,569 was calculated using the Black-Scholes option pricing model.

In connection with this IPO, other professional fees and consulting fees charged to share capital totaled \$110,143.

Triumph Ventures III Corporation
(a capital pool corporation)
(Expressed in Canadian Dollars)
Notes to Condensed Interim Financial Statements
October 31, 2012
(unaudited)

4. CAPITAL STOCK (continued)

c) Initial public offering (continued)

The issued and outstanding warrants of the Company are as follows:

	Number of Warrants	Weighted average exercise price	Expiry Date	Weighted average remaining contractual life (years)
Granted to Agent	176,569	\$ 0.20	March 15, 2014	1.37

d) Officers and Directors' options

On March 2, 2012, the Company granted an aggregate of 274,526 stock options to purchase common shares to its directors and officers, exercisable at a price of \$0.20 per common share for a period of five years from the date of grant and vesting over a three year period, resulting in stock-based of \$6,300 (July 31, 2012 - \$10,341; October 31, 2011 - \$Nil) for the graded vested portion of these options granted. The fair value was estimated during the fiscal year ended July 31, 2012 using the Black-Scholes option pricing model with the following assumptions:

Share price \$0.20
Risk-free rate 1.30%
Dividend yield NIL
Expected volatility⁽ⁱ⁾ 100%
Expected option life 5 years
Fair value \$40,901

(i) As historical volatility of the Company's common shares is not available, expected volatility is based on the historical performance of the common shares of other corporations with similar operations.

The options vest as follows:

Date	Percentage of Options Vesting	Number of Options Vesting
March 2, 2013	33.4%	91,509
March 2, 2014	33.3%	91,509
March 2, 2015	33.3%	91,508

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(Expressed in Canadian Dollars)
Notes to Condensed Interim Financial Statements
October 31, 2012
(unaudited)

4. CAPITAL STOCK (continued)

d) Officers and Directors' options (continued)

The issued and outstanding stock options to acquire common shares of the Company are as follows:

	Number of stock options	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (year)
Granted to directors and officers	274,526	\$0.20	March 2, 2017	4.34

As at October 31, 2012 no stock options have vested and none are exercisable

5. RELATED PARTY TRANSACTION

Transactions with related parties are in the normal course of the business and are measured at fair value. Related party transactions during the period ended October 31, 2012, consisted of the graded vested value of incentive stock options granted to officers and directors of the company, which resulted in recognition of stock-based compensation of \$6,300 (October 31, 2011 – \$Nil). The Company considers its directors and officers to be key management personnel.

During the period ended October 31, 2012, legal fees of \$4,740 (July 31, 2012 - \$62,358; October 31, 2011 - \$Nil), of which \$Nil (July 31, 2012 - \$60,411) was recognized as share issuance cost and \$4,740 (July 31, 2012 - \$1,947; October 31, 2011 - \$Nil) was recognized as professional fees expense, were charged to the Company by a law firm in which one of the directors of the Company is a partner. As at October 31, 2012, \$4,740 (July 31, 2012 - \$3,310) of legal fees remained unpaid to this law firm and is included in accounts payable and accrued liabilities.

6. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended October 31, 2012 was calculated by dividing the loss attributable to common shareholders of \$86,753 by the weighted average number of common shares outstanding during the period of 1,765,691, excluding contingently issuable shares.

Diluted loss per share did not include the effect of 274,526 stock options and 176,569 warrants as their effects on the diluted loss per share calculation would be anti-dilutive, as there was a loss for the period.

Basic and diluted loss per share for the period ended October 31, 2011 is not presented as all shares outstanding were contingently issuable and therefore not considered to be outstanding for loss per share calculations.

7. PROPOSED QUALIFYING TRANSACTION

On April 3, 2012, the Company signed a non-binding letter of intent (the "LOI") with Altitude Resources Ltd. ("Altitude"), a corporation existing under the laws of Alberta, which outlines the general terms and conditions pursuant to which Triumph and Altitude would be willing to complete a transaction that will result in a reverse take-over of Triumph by the shareholders of Altitude (the "Transaction"). The LOI was negotiated at arm's length and is effective as of April 2, 2012.

The LOI is to be superseded by a definitive merger, amalgamation or share exchange agreement (the "Definitive Agreement") to be signed on or before May 15, 2012 (or such other date as may be mutually agreed in writing between Triumph and Altitude). The Transaction is subject to requisite regulatory approval, including the approval of the TSX Venture Exchange (the "TSXV") and standard closing conditions, including the approval of the directors of each of Triumph and Altitude of the Definitive Agreement and completion of due diligence investigations to the satisfaction of each of Triumph and Altitude, as well as the conditions described below. The legal structure for the Transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies, however, it is currently contemplated that the transaction will be structured as a securities exchange.

Altitude is an Alberta company incorporated on August 19, 2010. The company has its head office located in Calgary. Altitude holds six coal licenses in the Hinton area of west central Alberta (the "Palisades Coal Property").

Prior to completion of the Transaction (and as conditions of closing):

- Altitude must complete a subscription receipt financing (the "Offering") for minimum gross proceeds of not less than \$1,500,000. It is expected that the gross proceeds of the Offering will be held in escrow by a third party escrow agent, and the subscription receipts will convert into units of Altitude, each consisting of one common share (a "Altitude Share") and one-half of one common share purchase warrant (each whole warrant, a "Altitude Warrant") of Altitude immediately prior to the closing of the Transaction and exchanged into corresponding securities of Triumph in accordance with the Exchange Ratio. This condition has been met as disclosed in Note 8.
- The parties will prepare a filing statement in accordance with the rules of the TSXV, outlining the terms of the Transaction.
- Altitude will obtain the requisite shareholder approvals for the Transaction and any ancillary matters contemplated in the Definitive Agreement.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, TSXV approval, will have been obtained.

Prior to the Offering, Altitude shall have received previously contemplated seed financing in a total amount not exceeding \$500,000 for working capital and general corporate purposes. This condition has been met.

8. SUBSEQUENT EVENTS

On September 26, 2012, the Company, along with Altitude, closed the first tranche of the private placement financing contemplated under the terms of the Transaction. Pursuant to this first closing, Altitude issued and sold 4,001,000 subscription receipts (the "Unit Subscription Receipts") at a price of \$0.60 per Unit Subscription Receipt for gross proceeds of \$2,400,600. Each Unit Subscription Receipt will entitle the holder to receive one unit of Altitude (a "Unit"). Each Unit is comprised of one common share of Altitude (a "Altitude Common Share"), which, upon the completion of the Qualifying Transaction and certain other conditions (the "RTO"), will be exchanged for one common share of Resulting Issuer (a "Resulting Issuer Common Share"), and one-half of one common share purchase warrant of Altitude (each whole warrant, an "Altitude Warrant"), which, upon completion of the RTO, will be exchanged for one-half of one common share purchase warrant of the Resulting Issuer (each whole warrant, a "Resulting Issuer Warrant"). Each whole Altitude Warrant shall entitle the holder thereof to acquire one common share of Altitude (an "Altitude Warrant Share") and, upon completion of the RTO, each whole Resulting Issuer Warrant shall entitle the holder thereof to acquire one common share of the Resulting Issuer (a "Resulting Issuer Warrant Share"), in each case at a price of \$0.80 until the date which is 24 months following the closing date of the private placement. All securities issued pursuant to the private placement are subject to a four month hold period following the closing date.

Triumph also has issued and sold 859,286 flow-through subscription receipts (the "Flow-Through Subscription Receipts") at a price of \$0.70 per Flow-Through Subscription Receipt for gross proceeds of \$601,500. Each Flow-Through Subscription Receipt will entitle the holder thereof to receive one flow-through common share of Triumph which will automatically convert to one flow-through common share of the Resulting Issuer following the RTO. No amount has been recorded in the October 31, 2012 interim condensed unaudited financial statements of Triumph for this Flow-Through Issuance as the Flow-Through subscription receipts are held in escrow by the third party escrow agent and the Company does not have control over these funds.