MC PARTNERS INC.
Financial Statements
For the Year Ended November 30, 2012
(Expressed in Canadian Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of MC Partners Inc. (the "Company") are the responsibility of the Company's management. The financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are protected from loss or improper use, transactions are authorized and properly recorded, and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board of Directors reviews the results of the audit and the financial statements prior to approving them.

The financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants and their report outlines the scope of their examination and gives their opinion on the audited financial statements.

"John Morgan" (signed)

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John Morgan
Chief Executive Officer

Vancouver, British Columbia
March 21, 2013

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MC PARTNERS INC.

We have audited the accompanying financial statements of MC Partners Inc., which comprise the statements of financial position as at November 30, 2012 and 2011, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year ended November 30, 2012 and for the period from January 28, 2011 (date of incorporation) to November 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MC Partners Inc. as at November 30, 2012 and 2011, and its financial performance and its cash flows for the year ended November 30, 2012 and for the period from January 28, 2011 (date of incorporation) to November 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
March 21, 2013

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MC Partners Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30,		2012		2011
ASSETS				
Current assets				
Cash	$	417,794	$	61,253
Prepaid expenses		-		34,377
Total assets	$	417,794	$	95,630
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 7)	$	24,085	$	10,077
EQUITY				
Share capital (note 4)		437,406		100,000
Reserves		62,835		-
Deficit		(106,532)		(14,447)
Total equity		393,709		85,553
Total liabilities and equity	$	417,794	$	95,630

Approved on behalf of the Board:

"John Morgan" (signed)
Director

"Robin Hutchinson" (signed)
Director

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

MC Partners Inc.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the Year Ended November 30, 2012	For the Period from January 28, 2011 (date of incorporation) to November 30, 2011
Expenses		
Accounting and audit fees	$ 14,895	$ 11,620
Administrative and general office	1,728	569
Legal fees	7,874	2,258
Share-based payments	36,500	-
Sponsorship	26,800	-
Transfer agent and filing fees	4,288	-
Net Loss and Comprehensive Loss for the Period	$ (92,085)	$ (14,447)
Basic and Diluted Loss per Share	$ (0.03)	$ (0.00)
Weighted average number of common shares outstanding	2,824,863	-

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

MC Partners Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Common Shares				
	Number	Amount	Reserves	Deficit	Total
Balance, January 28, 2011	-	$ -	$ -	$ -	$ -
Issue of common shares	2,000,000	100,000	-	-	100,000
Net loss for the period	-	-	-	(14,447)	(14,447)
Balance, November 30, 2011	2,000,000	100,000	-	(14,447)	85,553
Issue of common shares	5,000,000	500,000	-	-	500,000
Share issuance costs	-	(162,594)	26,335	-	(136,259)
Share-based payments	-	-	36,500	-	36,500
Net loss for the year	-	-	-	(92,085)	(92,085)
Balance, November 30, 2012	7,000,000	$ 437,406	$ 62,835	$ (106,532)	$ 393,709

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

MC Partners Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Year Ended November 30, 2012	For the Period from January 28, 2011 (date of incorporation) to November 30, 2011
Cash provided by (used in):		
Operating activities:		
Net loss for the period	$ (92,085)	$ (14,447)
Item not involving cash		
Share-based payments	36,500	-
Changes in non-cash working capital:		
Prepaid expenses	34,377	(34,377)
Accounts payable and accrued liabilities	14,008	10,077
	(7,200)	(38,747)
Financing activities:		
Shares issued for cash	500,000	100,000
Share issuance costs	(136,259)	-
	363,741	100,000
Net change in cash and cash equivalents	356,541	61,253
Cash, beginning of period	61,253	-
Cash, end of period	$ 417,794	$ 61,253

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MC Partners Inc. (the "Company") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act*, British Columbia, and is a capital pool company as defined by Policy 2.4 (the "CPC" Policy") of the TSX Venture Exchange (the "Exchange"). The Company's registered office is Suite 300 – 576 Seymour Street, Vancouver, BC, Canada. The principal business of the Company is to identify and evaluate business opportunities with the objective of completing the acquisition of an interest in properties, assets or a business ("Qualifying Transaction") under the Exchange rules. Under these rules, a Qualifying Transaction must be completed within 24 months of listing. On May 3, 2012, the Company completed its initial public offering ("IPO") of 5,000,000 common shares at a price of $0.10 per share and was listed on the Exchange under the trading symbol "MCT.P".

The Company has not generated any revenues and has incurred losses of $106,532 since inception. The ability of the Company to continue as a going concern depends upon the acquisition of a successful project or business and the ability of the Company to obtain necessary financing to fund ongoing operations. The Company's ability to achieve these objectives cannot be determined at this time.

These annual financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's continuing operations as intended are dependent upon the Company's ability to complete a Qualifying Transaction. Such an acquisition will be subject to shareholder and regulatory approval. In the case of a non-arm's-length transaction (as defined in the CPC Policy), a majority of the minority shareholder approval is also required. Should the Company fail to complete a Qualifying Transaction, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets.

The financial statements of the Company were authorized for issue by the Board of Directors on March 21, 2013.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

2. BASIS OF PRESENTATION (Continued)

(b) Basis of measurement (Continued)

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also required management to exercise judgment in applying the Company's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

(a) Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the date of the statement of financial position, could result in a material adjustment to the carrying amounts of assets or liabilities.

Significant areas requiring the use of management estimates and judgments include:

- Balances of accrued liabilities;
- Utilization of deferred income tax assets; and
- The determination of the variables used in the calculation of share-based payments.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future financial performance and cash flows.

(b) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income taxes (Continued)

are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

(c) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is not adjusted for the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(d) 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.

(e) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

(f) Share-based payment

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) New standards and interpretations not yet adopted

The Company will be required to adopt certain standards and amendments issued by the IASB, as described below, for which the Company is currently assessing the impact on its financial statements.

Accounting standards issued, but not yet effective:

IFRS 9 *Financial Instruments*
IFRS 9, issued by the IASB in November 2009 and amended in October 2010, introduces new requirements for the classification and measurement of financial assets and liabilities. IFRS 9 requires all financial assets within the scope of International Accounting Standard ("IAS") 39 *Financial Instruments - Recognition and Measurement* to be subsequently measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. IFRS 9 also requires an entity choosing to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income ("OCI") section of the statement of operations and comprehensive loss, rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

IFRS 10 *Consolidated Financial Statements*
IFRS 10 replaces the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control. IFRS 10 is effective for years beginning on or after January 1, 2013, with earlier application permitted.

IFRS 11 *Joint arrangements*
IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for joint operation, the venture will recognize its share of assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionally consolidate or equity account for interest in joint ventures. IFRS 11 supersedes IAS 31 *Interest in Joint Ventures* and SIC 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 is effective for years beginning on or after January 1, 2013, with earlier application permitted.

IFRS 12 *Disclosure of Interests in Other Entities*
IFRS 12 provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and consolidated structured entities. IFRS 12 is effective for years beginning on or after January 1, 2013, with earlier application permitted.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) New standards and interpretations not yet adopted (Continued)

IFRS 13 *Fair Value Measurement*
IFRS 13, issued by the IASB in May 2011, replaces the fair value measurement guidance currently dispersed across different IFRS standards with a single definition of fair value and a comprehensive framework for measuring fair value when such measurement is required under other IFRS. It also establishes disclosure requirements about fair value measurements. IFRS 13 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IAS 27 *Separate Financial Statements*
IAS 27 requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9. IAS 27 is effective for years beginning on or after January 1, 2013, with earlier application permitted.

IAS 28 *Investment in Associates and Joint Ventures*
IAS 28 defines "significant influence" and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. IAS 28 is effective for years beginning on or after January 1, 2013, with earlier application permitted.

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
Amends the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures* to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation*.

The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. Applicable to annual periods beginning on or after January 1, 2013.

Amendments to IAS 32 *Financial Instruments: Presentation*
These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) New standards and interpretations not yet adopted (Continued)

Amendments to IAS 1 *Presentation of Financial Statements*
Amendments to IAS 1 revise the way OCI is presented. The amendments require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently, i.e., those that might be reclassified and those that will not be reclassified. It also requires tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). This standard is effective for years beginning on or after July 1, 2012.

4. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the year ended November 30, 2012, the Company issued 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000.

During the period from January 28, 2011 (date of incorporation) to November 30, 2011, the Company issued 2,000,000 founder's common shares at $0.05 per share to officers and directors of the Company for total proceeds of $100,000. These common shares are to be deposited and held in escrow until the Qualifying Transaction has been completed and the Final Exchange Bulletin issued.

(b) Escrowed shares

As at November 30, 2012, the Company has 2,100,000 (November 30, 2011 – 2,000,000) common shares held in escrow. These shares will be released from escrow pro rata to the shareholders as to 10% upon the completion of a Qualified Transaction and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. The shares have been excluded from the calculation of loss per share.

(c) Stock options

In 2012, the Company adopted a stock option plan, which provides that the Board of Directors may from time to time, in its discretion, and all in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for five years from the date of grant.

4. SHARE CAPITAL (Continued)

(c) Stock options (Continued)

On May 3, 2012, the Company granted 700,000 stock options to its officers and directors. The options are exercisable at a price of $0.10 per share. The options will be exercisable for a period of five years from the grant date. Such stock options may be exercised before completion of the Qualifying Transaction only if the optionee agrees to deposit the shares acquired pursuant to the terms of the option into escrow until the issuance of the Final Exchange Bulletin.

The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 1.56%; expected dividend rate of 0%; expected volatility of 100%; expected life of 5 years and a forfeiture rate of 0%.

The weighted average remaining contractual life of the stock options is 4.42 (2011 – 5.43) years.

(d) Agent options

A summary of the Company's outstanding agent options and changes during the periods then ended is as follows:

	Quantity	Weighted Average Exercise Price
Balance, January 28, 2011 and November 30, 2011	-	$ -
Issued	500,000	$ 0.12
Balance, November 30, 2012	500,000	$ 0.12

In connection with the Company's IPO, the Company granted agent options to purchase 500,000 common shares at a price of $0.10 per share, expiring May 3, 2014 and with a fair value of $26,335.

The fair value of the agent options is estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 1.30%; expected dividend yield of 0%; expected volatility of 100%; expected life of 2 years and a forfeiture rate of 0%.

4. SHARE CAPITAL (Continued)

(e) The expected volatility used in calculating the fair value of stock options and agent options granted is determined based on the historical share price of peer group companies over the estimated lives of the agent options and stock options.

5. INCOME TAXES

A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is provided as follows:

		2012		2011
Loss before income taxes	$	(92,085)	$	(14,447)
Canadian statutory tax rate		25.13%		26.50%
Expected income tax		(23,136)		(3,828)
Items not deductible for tax purposes		9,185		-
Change in timing differences		(40,364)		(189)
Effect of change in tax rate		(64)		217
Unused tax losses and tax offsets not recognized		54,379		3,800
Total income tax recovery	$	-	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

		2012		2011
Non-capital loss carry-forwards	$	102,580	$	14,483
Share issue costs		130,075		-
Net future income tax assets	$	232,655	$	14,483

The Company has available for deduction against future taxable income, non-capital losses of approximately $103,000 for Canadian tax purposes. These losses, if not utilized, will expire between 2031 and 2032. Future tax benefits that may arise as a result of these non-capital losses have not been recognized in these financial statements.

6. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes equity, comprised of issued share capital, reserves and deficit in the definition of capital.

6. CAPITAL RISK MANAGEMENT (Continued)

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements.

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the current year:

- Administrative and general office expenditures of $1,712 (2011 - $nil) for reimbursements of general office expenses were paid to a director; and
- Transfer agent and filing expenditures of $62 (2011 - $nil) for reimbursements of transfer agent service fees were paid to a director.

As at November 30, 2012, due to related parties was $155 (2011 - $nil); this balance is included in accounts payable and accrued liabilities.

Key management comprises directors and executive officers. Compensation awarded to key management during the year ended November 30, 2012 is share-based payments of $36,500. There was no compensation awarded for the period from January 28, 2011 (date of incorporation) to November 30, 2011.

8. FINANCIAL INSTRUMENTS

(a) Financial assets

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 receivable or at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. At November 30, 2012, the Company classified cash as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. At November 30, 2012, the Company has not classified any financial assets as loans and receivables.

8. FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets (Continued)

Financial assets classified as available-for-sale are measured at fair value with realized gains and losses recognized in OCI, except for losses in value that are considered other than temporary. At November 30, 2012, the Company has not classified any financial assets as available-for-sale.

(b) Financial liabilities

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

Financial liabilities classified as other financial liabilities are measured at amortized cost. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. As at November 30, 2012, the Company has not classified any financial liabilities as FVTPL.

(c) De-recognition of financial liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expired.

(d) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counter party, or default or delinquency in interest or principle payments, or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by an impairment loss directly for all financial assets.

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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

8. FINANCIAL INSTRUMENTS (Continued)

(e) Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of November 30, 2012, cash is recorded at fair value on the statement of financial position.

(f) Risk factors

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 cash, which is held in a large Canadian financial institution. The Company believes this credit risk is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At November 30, 2012, the Company had a cash balance of $417,794 (2011, $61,253) to settle current liabilities of $24,085 (2011, $10,077). In general, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company believes it has no significant interest rate risk.

The Company does not have any derivative financial instruments.

9. EVENTS AFTER THE REPORTING PERIOD

(a) The Company reached an agreement (the "Agreement") to acquire all of the issued and outstanding shares of bioMmune Technologies Inc. ("bioMmune"). Under the terms of the Agreement, the Company will issue to the shareholders of bioMmune a total of 5,600,000 shares of the Company. The Agreement is subject to Exchange approval and will constitute the Company's Qualifying Transaction pursuant to the CPC Policy of the Exchange. On conclusion of the proposed Qualifying Transaction, the Company will change its name to reflect the nature and character of the business of bioMmune, with the resulting issuer trading as a Tier 2 Research and Development Issuer on the Exchange. bioMmune is a private British Columbia company that was formed to commercially exploit a number of patents and patent applications that surround three technologies. The closing of the Qualifying Transaction is subject to a number of conditions, including the Company successfully completing a financing for gross proceeds of a sufficient amount to fund the business plan and to meet the minimum listing requirements of the Exchange, and Exchange approval.

(b) Concurrent with the Qualifying Transaction, the Company intends to complete a non-brokered private placement of 10,000,000 units of the Company at a price of $0.15 per unit for gross proceeds of $1,500,000 (the "Financing"). Each unit will consist of one common share of the Company and one common share purchase warrant of the Company (the "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.25 for a period of 12 months from the completion of the Financing and will be subject to an exercise acceleration clause. Under the exercise acceleration clause, which the Company may exercise once the Financing units are free of resale restrictions and if the shares of the Resulting Issuer are trading at or above a volume weighted average price of $0.40 for more than 20 trading consecutive days, the Warrants will expire upon 30 days from the date the Company provides notice in writing to the holders of the Warrant via a news release. The Financing will be non-brokered; however, the Company may pay finder's fees to the arm's length finders in accordance with the rules and policies of the Exchange. If paid, the finder's fees will consist of a cash commission equal to 8% of the gross proceeds the finder contributed to the Financing and finder's warrants entitling the finder to purchase up to 12% of the total number of Financing units sold through the finder, exercisable for a period of 12 months from the date of the closing of the Financing. Each such finder's Warrant will be exercisable into one share of the Company at $0.25 per share.