SUPER NOVA MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE AND SIX MONTHS ENDED
NOVEMBER 30, 2012

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITORS' REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Super Nova Minerals Corp (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 interim financial statements by an entity's auditor.

SUPER NOVA MINERALS CORP.
Statements of Loss and Comprehensive Loss
[Unaudited - Expressed in Canadian dollars]

	Notes	Three months ended November 30, 2012	Three months ended November 30, 2011	Six months ended November 30, 2012	Six months ended November 30, 2011
Expenses					
General administrative		**$ (18,353)**	$ (3,701)	**$ (44,656)**	$ (8,944)
Investor relations and shareholders' communication		**(31,010)**	(17,000)	**(86,693)**	(26,593)
Management, wages ad salaries		**(49,332)**	(16,500)	**(78,134)**	(25,500)
Profession fees		**(4,723)**	(1,997)	**(49,925)**	(5,405)
Listing, transfer agent and filing fee	1	**(200,792)**	(119)	**(200,792)**	(339)
		(304,210)	(39,317)	**(460,200)**	(66,781)
Net loss and comprehensive loss		**$ (304,210)**	$ (39,317)	**$ (460,200)**	$ (66,781)
Net loss per share, basic and diluted		**(0.02)**	(0.00)	**(0.03)**	(0.01)
Weighted average number of shares outstanding - basic and diluted		**15,588,126**	12,004,050	**14,879,181**	8,776,954

(The accompanying notes are an integral part of these financial statements)

SUPER NOVA MINERALS CORP.
Statement of Financial Position
[Expressed in Canadian dollars]

	Note	**November 30, 2012**	May 31, 2012
ASSETS		**(Unaudited)**	
Current assets			
Cash and cash equivalents		**$ 737**	$ 122,289
Receivables and prepayments	4	**36,273**	55,852
		37,010	178,141
Non-current assets			
Exploration and evaluation assets	5	**891,417**	703,661
		891,417	703,661
Total assets		$ 928,427	$ 881,802
LIABILITIES AND EQUITY			
Accounts payable and accrued liabilities		**$ 256,568**	$ 117,888
Flow through share premium liabilities		**14,240**	14,240
		270,808	132,128
Shareholders' equity			
Share capital	7	**1,530,974**	1,093,629
Share subscription received		**12,000**	81,200
Deficit		**(885,355)**	(425,155)
		657,619	749,674
Total liabilities and equity		**$ 928,427**	$ 881,802

Going concern (Note 1)

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD AND WERE SIGNED ON ITS BEHALF BY:

"Wolf Wiese"
Wolf Wiese, Director

"Derek Liu"
Derek Liu, Director

(The accompanying notes are an integral part of these financial statements)

SUPER NOVA MINERALS CORP.
Statements of Changes in Equity
[Unaudited - Expressed in Canadian dollars]

	Note	Share Capital Number of Shares	Share Capital Amount	Share subscription received	Deficit	Total
Balance, June 1, 2012		**13,566,550**	**$1,093,629**	**$ 81,200**	**$ (425,155)**	**$ 749,674**
Property acquisition	5	**1,450,000**	**145,000**	**-**	**-**	**145,000**
Private placement	7	**1,917,000**	**191,700**	**(81,200)**	**-**	**110,500**
Share issued upon amalgamation	1	**1,006,447**	**100,645**	**-**	**-**	**100,645**
Share subscriptions		**-**	**-**	**12,000**	**-**	**12,000**
Loss for the period		**-**	**-**	**-**	**(460,200)**	**(460,200)**
Balance, November 30, 2012		**17,939,997**	**$1,530,974**	**$ 12,000**	**$ (885,355)**	**$ 657,619**

	Share Capital Number of Shares	Share Capital Amount	Share subscription received	Deficit	Total
Balance, June 1, 2011	7,034,050	$ 688,879	$ 202,500	$ (242,194)	$ 649,185
Private placement	4,970,000	248,500	(202,500)	-	46,000
Share subscriptions	-	-	117,500	-	117,500
Loss for the period	-	-	-	(66,781)	(66,781)
Balance, November 30, 2011	12,004,050	$ 937,379	$ 117,500	$ (308,975)	$ 745,904

(The accompanying notes are an integral part of these financial statements)

SUPER NOVA MINERALS CORP.
Statements of Cash Flows
[Unaudited - Expressed in Canadian dollars]

	Notes	Three months ended November 30, **2012**	Three months ended November 30, 2011	Six months ended November 30, **2012**	Six months ended November 30, 2011
Cash flows from operating activities					
Loss for period		**$ (304,210)**	$ (39,317)	**$ (460,200)**	$ (66,781)
Items not affecting cash:					
Stock base payment	1	**100,645**	-	**100,645**	-
		(203,565)	(39,317)	**(359,555)**	(66,781)
Non-cash working capital adjustments:					
Change in receivables and prepayments		**26,990**	2,562	**19,579**	(1,741)
Changes in accounts payables and accrued liabilities relating to operating activities		**72,159**	(15,178)	**153,383**	(2,843)
		99,149	(12,616)	**172,962**	(4,584)
Net cash flow used in operating activities		**(104,416)**	(51,933)	**(186,593)**	(71,365)
Cash flow from investing activities					
Investment in exploration and evaluation assets		**(46,573)**	(21,620)	**(57,459)**	(65,414)
Net cash flows used in investing activities		**(46,573)**	(21,620)	**(57,459)**	(65,414)
Cash flow from finaning activities					
Proceeds from issuance shares, net of share issuance cost		**35,000**	-	**110,500**	46,000
Proceeds from subscription		**12,000**	15,000	**12,000**	117,500
Net cash flows used in financing activities		**47,000**	15,000	**122,500**	163,500
Net inclrease/(decrease) in cash		**(103,989)**	(58,553)	**(121,552)**	26,721
Cash and cash equivalents, beginning of period		**104,726**	220,110	**122,289**	134,836
Cash and cash equivalents, end of period		**$ 737**	$ 161,557	**$ 737**	$ 161,557

Supplemental disclosures with respect to cash flows (Note 9)

(The accompanying notes are an integral part of these financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

Super Nova Minerals Corp. (the "Company") is incorporated under the laws of British Columbia, Canada and its principal business activities include the acquisition and exploration of mineral properties in Québec and British Columbia, Canada. The registered office of the Company is Suite 1100, 736 Granville Street, Vancouver, British Columbia, V6Z 1G3.

The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether those properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production.

Management is actively targeting sources of additional financing which would assure the continuation of the Company's operations and exploration programs. To the extent financing is not available, lease payments, rental payments, and other payments may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Basis of measurement and preparation

The financial statements, including comparatives, have been prepared in accordance 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"), applicable for the reporting period, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Ongoing operations of the Company are dependent upon its ability to receive continued financial support, complete public equity financings, or generate profitable operations in the future.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

The policies set out in the ensuing paragraphs have been consistently applied to all periods presented unless otherwise noted.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Amalgamation with 0922519 B.C. Ltd.

On October 2, 2012, Super Nova Minerals Corp. ("SNMC") and 0922519 B.C. Ltd. ("519 BC") were amalgamated into on entity and continued to use the name of Super Nova Minerals Corp. (the "Company" or "Newco"). Upon amalgamation, shareholders of 519 BC received one common share of Newco for every six (6) 519 BC's common shares they held before the amalgamation while shareholders of SNMC received one share of Newco for one SBMC's common shares they held before the amalgamation. Although the transaction resulted in a single entity, control passed to the former shareholders of SNMC and the transaction constitutes a reverse take-over of 519 BC by SNMC and has been accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share-based Payment and IFRS3 Business Combinations. As 519 BC did not qualify as a business according to the definition in IFRS 3, this reverse takeover transaction does not constitute a business combination; rather it is treated as an issuance of shares by the SNMC for the net asset of 519 BC. Also, as the main purpose of the amalgamation is to use the shell of 519 BC to list the shares of the Newco on Canadian National Stock Exchange ("CNSX"), the acquisition cost over the net asset acquired is recorded as listing fee on the statements of loss and comprehensive loss.

The preliminary acquisition price allocation price is as follows:

Net assets acquired		
Accounts payable and accrued liabilites	$	(16,651)
	$	(16,651)
Acquisition cost		
Fair value of shares issued (1,006,445 shares of Newco)	$	100,645
Transaction cost		66,641
	$	167,286
Cost of public listing	$	183,937

On October 22, 2012, the common shares of the Company were listed on CNSX under the symbol "SNP".

Functional currency

The presentation and functional currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting periods. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Actual results could differ materially from those reported.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but not limited to, the following:

- The provision of deferred tax is based on judgments in applying income tax law and estimates on timing, likelihood and reversal of temporary differences between the accounting and tax basis of the assets and liabilities;
- The estimated value of exploration and evaluation costs which is included in the statement of financial position;
- The assessment of indications of impairment of each of the exploration and evaluation assets and related determination of the net realizable value and write-down of those assets where applicable.
- The amortization of equipment is based on the judgments on its useful and economic life, residual value and the pattern of use of such equipment.

b) Refundable tax credits and mining duties

The Company is entitled to apply for government grants in the form of refundable tax credits and mining duties in respect of qualifying mining exploration expenses incurred. These recoveries are accounted for using the cost reduction approach whereby amounts received are applied against the cost of related assets or expenditures.

c) Foreign currency

Revenues, expenses and other transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are not retranslated.

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property after the Company has obtained the legal right to explore the property.

Exploration and evaluation expenditures for each area of interest are carried forward as an asset provided that such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its disposal or through farm-out arrangements.

Once development commences, these costs will be reclassified to property, plant and equipment and are charged to operations upon commercial production on a unit-of-production method based on proven and probable reserves.

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.
The Company recognizes in income, costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

e) Decommissioning liabilities

The fair value of the statutory, contractual, constructive or legal liabilities associated with the retirement and reclamation of mining assets are recorded when incurred, with a corresponding increase to the carrying amount of the related production assets. The amount recognized is the estimated cost of decommissioning, discounted to its present value using the Company's risk free rate. Changes in the estimated timing of decommissioning or decommissioning cost estimates and changes to the risk free rates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property and equipment. The unwinding of the discount on the decommissioning provision is charged to net earnings or loss as office and administration expense.

The Company recognizes a decommissioning liability in the period in which it is incurred when a reasonable estimate of the fair value can be made. On a periodic basis, management will review these estimates and changes and if there are any, will be applied prospectively. The fair value of the estimated provision is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production basis over the life of the proved developed reserves. The liability amount is increased each reporting period due to the passage of time and this amount is charged to earnings in the period. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent of the liability recorded and the remaining balance of the actual costs is recorded in the statement of loss.

f) Impairment of long-lived assets

At each reporting date, 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 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.

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. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

g) Stock-based compensation

The fair value of stock options granted is measured at grant date using the Black-Scholes option pricing model. Where options are granted to consultants for good or services rendered, the options are measured at the fair value of the goods or services received by the Company If the fair value of the goods and services received cannot be reliably measures, the fair value of the stock option granted is used instead. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that expected to ultimately vest is computed. The movement in cumulative expense is recognized in the statement of loss with a corresponding entry within equity, against reserves. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received together with any related amount in reserves are credited to share capital.

h) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, if later, all options and warrants were exercised. The proceeds from exercise would be used to purchase the Company's common shares at their average market price during the period, a reduction to the weighted average number of common shares outstanding. If this computation is anti-dilutive, diluted loss per share is the same as basic loss per share.

i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments.

- *Financial assets at fair value through profit or loss*

  A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and include cash, which is initially recognized at fair value.

- *Loans and receivables*

  Loans and receivables are non-derivative financial assets which fixed or determinable payments that are not quoted in an active market. They are classified as current or non-current assets based on their maturity date. Assets in this category include receivables and are measured at amortized cost less impairment.

- *Available-for-sale financial assets*

  Available-for-sale financial assets are either designated as available for sale or not classified in any other categories. They are initially recognized at fair value plus transaction costs and are subsequently carried at fair value, with unrealized gains and losses recorded in other comprehensive income until disposition or other-than-temporary impairment at which time the gain or loss is recorded in earnings. The Company does not have any available-for-sale financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – this category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss.

Other financial liabilities – are initially recognized at fair value and subsequently stated at amortized cost and include accounts payable and accrued liabilities and due to related parties. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position.

Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- Financial assets carried at amortization: the loss is the difference between the amortized cost and its value of estimated future cash flows, discounted using the instrument's original effective interest rate;
- Available-for-sale financial asset: The loss is the amount comprising the difference between its original cost and its current fair value, less any impairment previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.

Reversals of impairment losses on financial assets carried at amortized cost are recorded through the statement of loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss had been recognized. Impairment on available-for-sale instruments is not reversed.

k) Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon expenses being incurred, the Company derecognizes the flow-through premium liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income.

l) ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

As of January 1, 2013, the Company will be required to adopt amendments to International Accounting Standards "IAS" 1 "Presentation of Financial Statements" which will require companies to group together items within Other Comprehensive Income that may be reclassified to the net earnings section of the statement of loss and comprehensive loss. There is no material impact on the the Company as a result of this amendment.

Each of the additional new standards outlined below is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, except for IFRS 9 "Financial Instruments" which is effective for annual periods beginning on or after January 1, 2015. The Company has not yet assessed the impact, if any, that the new amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9 "Financial Instruments"

The result of the first phase of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

IFRS 10 "Financial Statements"

Replaces Standing Interpretations Committee 12, "Consolidation – Special Purpose Entities" and the consolidation requirements of IAS 27 "and Separate Financial Statements". The new standard replaces the existing risk and a reward based approaches and establishes control as the determining factor when determining whether an interest in another entity should be included in the financial statements.

Unaudited - Expressed in Canadian Dollars, unless otherwise stated

IFRS 11 "Joint Arrangements"

Replaces IAS 31 "Interests in Joint Ventures". The new standard focuses on the rights and obligations of an arrangement, rather than its legal form. The standard redefines joint operations and joint ventures and requires joint operations to be proportionately and joint ventures to be equity accounted.

IFRS 12 "Disclosure of Interests in Other Entities"

Provides comprehensive disclosure requirements on interests in other entities, including joint arrangements, associates, and special purpose vehicles. The new disclosures require information that will assist financial statement users in evaluating the nature, risks and financial effects of an entity's interest in subsidiaries and joint arrangements.

IFRS 13 "Fair value measurement"

Clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among specific standards requiring fair value measurements and in many cases does not reflect measurement basis or consistent disclosures.

Amendments to other standards

In addition to the above, there have been amendments to existing standards, including IAS 27 "Separate Financial statements" and IAS 28 "Investments in Associated and Joint Venture. IAS 27 addresses accounting for subsidiaries, associates, and joint controlled entities in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13 (see above).

4. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments comprise of the following:

As at	**November 30, 2012**	May 31, 2012
HST Receivables	**$ 20,114**	$ 17,026
Prepayments	**-**	38,826
Receivables and prepayments	**$ 20,114**	$ 55,852

Unaudited - Expressed in Canadian Dollars, unless otherwise stated

5. EXPLORATION AND EVALUATION ASSETS

	Marbridge (a)	Iron Ridge (b)	Preissac (c)	Ell Hills (d)	Total
At June 1, 2011	$ 305,357	$ 295,872	$ -	$ -	$ 601,229
Exploration expenditures	47,670	54,762	-	-	102,432
At May 31, 2012	353,027	350,634	-	-	703,661
Acquisition cost	-	-	145,000	30,000	175,000
Exploration expenditures	2,781	9,975	-	-	12,756
At November 30, 2012	**$ 355,808**	**$ 360,609**	**$ 145,000**	**$ 30,000**	**$ 891,417**

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its properties and, to the best of its knowledge, title to all of its properties are in good standing. However, this should not be construed as a guarantee of title. The mineral properties may be subject to prior claims, arguments or transfers and rights of ownership may be affected by undetected defects.

a) Marbridge Property, Quebec

Pursuant to a series of agreements, the Company entered into an option to acquire a 100% interest in the Marbridge Property located in the Lamotte Township of Quebec. In consideration for acquiring the property, the Company issued 1,300,000 common shares valued at $130,000 and paid a total of $83,950 in cash. During the six months ended November 30, 2012, the Company incurred exploration expenditures of $2,781 on the Marbridge Property.

The property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

b) Iron Ridge Property, British Columbia

Pursuant to a series of agreements, the Company entered into an option to acquire a 100% interest in the Iron Ridge Property located in British Columbia. In consideration for acquiring the property, the Company issued 1,300,000 common shares valued at $130,000, issued 2,000,000 common shares valued at $100,000 and paid a total of $39,000 in cash. In order to acquire the property, the Company is required to pay an additional $6,000 within 60 days of listing its common shares for trading on a recognized stock exchange.

During the six months ended November 30, 2012, the Company incurred exploration expenditures of $9,975 on the Iron Ridge Property.

The property is subject to a net smelter return royalty of 3%, of which 2% may be purchased for $1,000,000.

c) Preissac Property

On November 2, 2012, the Company entered into a purchase agreement (the "Preissac Agreement") with Pristine Capital Corp. ("Pristine") to acquire the Preissac Property, which comprised of 13 mineral titles (totalling 456 hectares) located in the Rouyn-Noranda-Val dor mining camp, in Northwest Quebec for $30,000 cash and 1,450,000 Common Shares of the Company ("Purchase Price"). On November 6, the Company issued a total of 1,450,000 Common Shares, valued at $0.10 per share, to Pristine and the cash consideration is to be paid by instalments, of which $10,000 is due on January 15, 2013 and $20,000 is due on February 28, 2013. Upon completion of payment of the Purchase Price, the Company will acquire an undivided 100% interest in and to the property**.**

d) Elk Hills Project

In November 2012, the Company entered into a farmout agreement (the "Farmout Agreement") with Elk Hills Petroleum Canada Ltd. (the "Farmors"). Under the terms of the Agreement the Company acquired an option to earn an 85% working interest before payout and a 50% interest after payout in the Morris Block, which contains 1,900 in its entirety, on the Elk Hills Project in the Big Horn basin of Montana, United States, by completing the following:

(i) Making cash payments to the Farmors totalling USD$380,000 as follows:

- USD$30,000 (paid);
- USD$70,000 as a non-refundable payment before November 26, 2012, for the exclusive right to develop a 5 spot steam injection project (the "5 Spot") within the Morris Block; and
- USD$280,000 on or before 90 days following completion of the 5 Spot;

(ii) Completing the drilling of a well on the Morris Block for steam production testing by January 31, 2013;

(iii) Purchasing an adequate Steam Generator, with water purifier, trailers, timer and retrofitted burner by January 31, 2013; and

(iv) Completing the 5 Spot in an area on the Morris Block designated by the Farmors;

Upon satisfactory completion of a development program on the Morris Block, the Company will have the right to provide USD$150,000 additional non-refundable payment for the lease option to acquire the same working interest in the Cottonwood Creek Lease Block, a nearby property on the Elk Hills project.

Subsequent to November 30, 2012 the Company further paid US$27,000 of non-refundable payment to the Farmors, and the Farmors agreed to amend the Farmout Agreement to defer the cash payment schedule, and the Company is currently working with the Farmors to finalize the amendment.

6. RELATED PARTY TRANSACTIONS

All related transactions balances are unsecured, interest-free, repayable on demand, and included as part of the accounts payable and accrued liabilities on the statement of financial position. Related party transactions not disclosed elsewhere include the following:

a) Key management personnel compensation

The Company considers senior officers and directors to be key management. During the three months and six months ended November 30, 2012, the remuneration for key management was $29,775 and $40,775 respectively (same period last year - $16,500 and $25,500, respectively). As at November 30, 2012, a total of $40,239 (May 31 2012 - $47,408) payable to key management remained outstanding.

b) Other related party transactions

Golden Dawn Mineral Inc. ("Golden Dawn"), a public traded company with common directors and officers of the Company, provides office space and administration services to the Company. During the three and nine months ended November 30, 2012, the Company incurred $35,295 and $69,473, respectively, (same period last year - $16,250 and $24,500) payable to Golden Dawn for its services provided. As at November 30, 2012, a total of $35,403 (May 31 2012 - $13,145) payable to Golden Dawn remained outstanding.

7. SHARE CAPITAL

Common shares

Authorized: An unlimited number of common shares without par value.

In July 2011, the Company closed a private placement and raised $248,500 by issuance of 4,970,000 common shares of the Company at a price of $0.05 per share, of which $202,500 was received in fiscal 2011. In May 2012, the Company closed another private placement and raised $156,250 through the issuance of 1,562,500 common shares of the Company at a price of $0.10 per share.

In June 2012, the Company closed a private placement and raised $135,440 through the issuance of 712,000 Flow Through shares at a price of $0.12 per share, of which $85,440 was received in fiscal 2012, and the issuance of 500,000 shares at a price of $0.10 per share of which $10,000 was received in fiscal 2012. A fair value of $14,240 related to the flow-through premium on these share subscriptions was allocated to Flow through premium liabilities.

In September 2012, the Company closed a private placement and raised $70,500 through issuance of 705,000 shares of the Company at a price of $0.10 per share.

Upon amalgamation with 519 BC in October, 2012, a total of 1,006,447 shares, valued at $0.10 per share, were issued to the former shareholders of 519 BC.

In November 2012, the Company issued 1,450,000 shares, value at $0.10 per shares to Pristine Capital Corp. pursuant to the Preissac Agreement to acquire the Preissac property.

Subsequent to November 30, 2012, the Company closed a private placement of 1,146,662 units at price $0.075 each and 1,146,662 share purchase warrants exercisable at $0.15 per share before the first anniversary of the date of issuance, and $0.20 per share after the first anniversary of the date of the issuance but before the second anniversary of the date of the issuance, for a total proceeds of $86,000. The trading price of the shares was $0.08, which gave rise to a premium of $5,733 flow through premium liabilities was recorded.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of Harmonized Sales Tax ("HST") receivable from the Canadian government and are considered low risk.

Currency risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the

Canadian dollar with other currencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash as they are currently held in large financial institutions.

Fair value measurements of financial assets and liabilities

Disclosure about significance of inputs used in making fair value measurements is as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of receivables, due from related parties and accounts payable and accrued liabilities, approximate their current fair values because of their nature and relatively short maturity dates or durations.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

- As at November 30, 2012, a total of $25,587 (2011 - $40,291) in exploration and evaluation assets were accrued through accounts payable and accrued liabilities.
- During the three and six months ended November 30, 2012, a total of 1,450,000 common shares (same period last year – nil) of the Company, valued at $145,000, were issue for the acquisition of exploration and evaluation assets.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the year ended May 31, 2012. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placement or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.