CANADIAN METALS

Unaudited Condensed Interim Financial Statements

Third quarter ended April 30, 2013

(in Canadian dollars)

These interim financial statements have not been reviewed by the external auditors of the Company

Canadian Metals Inc.
Condensed Interim Statement of Financial Position
(Unaudited)
(in Canadian dollars)

	As at April 30, 2013 $
ASSETS	
Current	
Cash	78,035
Other receivables *(note 6)*	32,912
Prepaid expenses	847
	111,794
Non-current	
Exploration and evaluation assets (note 7)	53,557
Property and equipment *(note 8)*	4,318
	57,875
TOTAL ASSETS	169,669
LIABILITIES AND EQUITY	
Current	
Accounts payable and accrued liabilities	90,561
Total liabilities	90,561
Equity	
Share capital *(note 9)*	396,064
Stock options *(note 10)*	53,146
Deficit	(370,102)
Total equity	79,108
TOTAL LIABILITIES AND EQUITY	169,669

Going concern *(note 2)*

On behalf of the Board of Directors

(s) David Vincent — David Vincent

(s) Stéphane Leblanc — Stéphane Leblanc

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

Canadian Metals Inc.
Condensed Interim Statement of Comprehensive Loss
(Unaudited)
For the three months and 256 –day period ended on April 30, 2013

(in thousands of Canadian dollars, unless otherwise stated)

	Three-months period ended April 30, 2013 $	256 –day period ended on April 30, 2013 $
Expenses		
General and administrative *(note 12)*	(174,875)	(356,387)
General exploration, net of tax credits	(3,791)	(13,715)
Loss before income tax	(178,666)	(370,102)
Deferred income tax charge	-	-
Net loss and total comprehensive loss for the period	(178,666)	(370,102)
Basic and diluted loss per share *(note 11)*	(0.01)	(0.04)

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

Canadian Metals Inc.

Condensed Interim Statement of Changes in Equity

(Unaudited)

For the 256 -day period ended on April 30, 2013

(in Canadian dollars)

	Number of common shares	Share capital $	Stock options $	Deficit $	Total equity $
Balance as at August 17, 2012					
Net loss and total comprehensive loss for the period	-	-	-	(370,102)	(370,102)
	-	-	-	(370,102)	(370,102)
Shares issued by private placements *(note 9)*	10,941,414	362,264	-	-	362,264
Warrants valuation *(note 9)*	-	-	-	-	-
Share issue costs *(note 9)*	-	(4,000)	-	-	(4,000)
Issuance of broker warrants *(note 9)*	-	-	-	-	-
Shares issued for the acquisition of mining rights *(note 9)*	1,800,000	37,800	-	-	37,800
Share based compensation expense *(note 10)*	-	-	53,146	-	53,146
	12,741,414	396,064	53,146	-	449,210
Balance as at April 30, 2013	12,741,414	396,064	53,146	(370,102)	79,108

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

Canadian Metals Inc.

Condensed Interim Statement of Cash Flows

(Unaudited)

For the three months and 256 –day period ended on April 30, 2013

(in Canadian dollars)

	Three-months period ended April 30, 2013 $	256 –day period ended on April 30, 2013 $
Cash flows provided (used in)		
Operating activities		
Net loss for the period	(178,666)	(370,102)
Adjustments for		
Amortization for property and equipment *(note 8)*	425	779
Deferred income tax recovery	-	-
Share-based compensation expense *(note 10)*	53,146	53,146
	(125,095)	(316,177)
Changes in working capital items		
Other receivables	(970)	(22,320)
Prepaid expenses	1,270	(847)
Accounts payable and accrued liabilities	28,811	90,561
Cash flows from operating activities	29,111	67,394
INVESTING ACTIVITIES		
Increase in exploration and evaluation assets	-	(26,350)
Acquisition of property and equipment	-	(5,096)
Cash flows used in investing activities	-	(31,446)
FINANCING ACTIVITIES		
Issuance of shares by private placements *(note 9)*	-	362,264
Share issuance cost *(note 9)*	-	(4,000)
Cash flows from financing activities	-	358,264
Net increase (decrease) in cash and cash equivalents	(95,984)	78,035
Cash and cash equivalents – Beginning of period	174,019	-
Cash and cash equivalents – End of period	78,035	78,035
Additional information		
Shares issued for the acquisition of mining rights	-	37,800
Refundable tax credits in deduction of exploration and evaluation assets	-	10,593

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

1 NATURE OF ACTIVITIES

Canadian Metals Inc. (hereafter the "Corporation") is engaged in the acquisition, the exploration and the evaluation of mining properties. The Corporation was incorporated under the Business Corporations Act (Quebec) on August 17, 2012. The address of registered office and its principal place of business is 1940 Cuvillier Street, Suite 3, Montréal, Quebec, Canada. The Corporation specializes in gold exploration located in the area of Matagami (Quebec), Canada.

2 GOING CONCERN

The Corporation condensed interim financial statements have been prepared using accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Corporation's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and balance sheet classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

For the three months period ended on April 30, 2013, the Corporation recorded a comprehensive loss of $178,666 and an accumulated deficit of $370,103. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its existing objectives for exploration and evaluation programs and for the payment of its general and administrative costs. As at April 30, 2013, the Corporation had a working capital of $21,033 considering cash of $78,035. Management estimates that these funds will not be sufficient to meet the Corporation's obligations. Any additional funding may be met in the future in a number of ways including, but not limited to the issuance of new equity instruments. Given that the Corporation has not yet determined whether the exploration and evaluation assets have economically recoverable ore reserves, the Corporation has not yet generated income. Recovery of amounts indicated under exploration and evaluation assets and other tangible and intangible assets are subject to certain conditions: the discovery of economically recoverable reserves, the Corporation's ability to obtain the financing required to complete exploration, evaluation, development, construction and, ultimately, the sale of such assets. During the period ended April 30, 2013, the Corporation did not complete private placements for the financing of exploration and evaluation assets and its working capital, general and administrative expenses. While management has been successful in securing financing in the past, there is no assurance that it will manage to obtain additional financing in the future.

3 STATEMENT OF COMPLIANCE TO IFRS

These condensed consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34*, Interim Financial Reporting*.

These unaudited condensed interim financial statements should be read in conjunction with the Corporation’s audited interim financial statements and accompanying notes for the initial period of 167 days ended on January 31, 2013. The accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied in the preparation of, and disclosed in, the audited interim financial statements for the initial period of 167 days ended on January 31, 2013.

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”).

The year-end of the Corporation is July 31. The policies applied in these unaudited interim financial statements for the 256 days period ended on April 30, 2013, have been prepared and are based on IFRS issued and current as of June 25, 2013, the date the Board of Directors approved these financial statements.

4 SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these interim financial statements are as follows:

Basis of evaluation

These interim financial statements have been prepared under the historical cost basis.

Functional and presentation currency

These interim financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation

At the date of authorization of these interim financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Corporation.

Management anticipates that all of the relevant pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation’s interim financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's interim financial statements.

IFRS 9 "Financial Instruments" (IFRS 9)

The IASB aims to replace IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after January 1, 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2012, the IASB published an exposure draft in order to make limited modifications to IFRS 9’s financial asset classification model to address application issues. The Corporation's management has yet to assess the impact of this new standard on the Corporation's interim financial statements. However, management does not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

IFRS 13 "Fair Value Measurement" (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IFRS 13 applies prospectively for annual periods beginning on or after January 1, 2013. Management is in the process of reviewing its valuation methodologies for conformity with the new requirements and has yet to complete its assessment of their impact on the Corporation's interim financial statements.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

– Loans and receivables;
– Financial assets at fair value through profit or loss;
– Held-to-maturity investments; and
– Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income. All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs or financial income, if applicable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash falls into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. The Corporation has no financial assets in this category.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Corporation has the intention and ability to hold them until maturity. The Corporation has no financial assets in this category.

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Corporation has no financial assets in this category.

All available-for-sale financial assets are measured at fair value. Net change in fair value is recognized in other comprehensive income and reported within Other item for comprehensive loss, in equity. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss in financial income or finance costs, if applicable, and presented as a reclassification adjustment within Other comprehensive income (loss). Interest calculated using the effective interest method are recognized in profit or loss within financial income.

Reversals of impairment losses are recognized in other comprehensive income, if applicable.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is an objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty;
– default or delinquency in interest or principal payments; or
– it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables are presented in profit or loss within Other operating expenses, if applicable.

Financial liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges are reported in profit or loss within Finance costs, if applicable.

Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to ordinary shareholders of the Corporation, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

Refundable tax credits

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred.

Exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Up to now, the Corporation has not started a drilling campaign and is only establishing the principles that will guide the recording of its expenses of exploration and evaluation, and assets of exploration and evaluation.

Although the Corporation has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Corporation's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Property and equipment

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The period applicable is as follows:

Computer equipment - Useful life	3 years

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

Impairment of exploration and evaluation assets and property and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

– the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
– no further exploration or evaluation expenditures in the area are planned or budgeted;
– no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
– sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible, given that the Corporation's operations are still in the exploration and evaluation stage, and are capitalized to the cost of exploration and evaluation assets as incurred. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

As at April 30, 2013, the Corporation had no contingent liabilities and therefore no provision was recorded in the interim financial statements.

Any reimbursement that the Corporation can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Corporation that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the interim financial statements since this may result in the recognition of income that may never be realized.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercice of share options, or warrants, this account also includes the charge previously accounted to the contributed surplus. Furthermore, if shares are issued following the acquisition of mining property or other non- financial assets, shares are valued at fair value of mining property on the day the agreement was concluded.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Other elements of equity

Contributed surplus includes unrealized charges related to share options and warrants until these options and warrants are exercised, if applicable.

Deficit includes all current period retained profits or losses.

Equity-settled share-based payments

The Corporation operates equity-settled share-based payment plans for its eligible directors, employees and consultants. None of the Corporation's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with related party and with non-related party, the Corporation evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to the Stock options account. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to Warrants account, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in the Stock options account are then transferred to the Share capital account.

When options expire, the balance in the Stock option account is transferred to the Contributed surplus account.

Segmental reporting

The Corporation presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors. The Chairman and the Board of Directors have joint responsibility for allocating resources to the Corporation's operating segments and assessing their performance.

The Corporation has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

5 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing these interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of property and equipment and exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

As at April 30, 2013, the exploration and evaluation assets had no loss in value and therefore, no impairment loss was recorded.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

(in Canadian dollars)

6 OTHER RECEIVABLES

	April 30, 2013 $
Goods and services tax receivable	22,319
Refundable tax credits	10,593
	32,912

7 EXPLORATION AND EVALUATION ASSETS (E&E)

The exploration and evaluation assets capitalized charges are composed of mining rights owned at 100% and detailed as follow:

	Massicote property					
	BLOCKS					
	''A'' $	''B'' $	''C'' $	''D'' $	''E'' $	Total $
<u>Mining properties</u>						
Balance, August 17, 2012	-	-	-	-	-	-
Acquisitions	8,669	4,217	7,029	11,559	6,326	37,800
Balance as at April 30, 2013	8,669	4,217	7,029	11,559	6,326	37,800
<u>Exploration and evaluation expenses</u>						
Balance, August 17, 2012	-	-	-	-	-	-
Acquisitions (a)	6,061	2,899	5,006	7,904	4,480	26,350
Refundable tax credits (b)	(2,436)	(1,165)	(2,012)	(3,178)	(1,802)	(10,593)
Balance as at April 30, 2013	3,625	1,734	2,994	4,726	2,678	15,757
TOTAL E&E ASSETS	12,294	5,951	10,023	16,285	9,004	53,557

(a) Projects are at the exploration and evaluation stage. Geology and prospection charges were incurred for the production of a NI-43101 report.

(b) This amount is estimated based on the actual tax and mining legislation at the date of the Interim Statement of Financial Position.

(in Canadian dollars)

Massicotte property

On August 31, 2012, the Corporation concluded two agreements for property acquisition:

A first agreement was concluded with a private company to acquire 81 mining rights (claims) composing the block "E" located in the Matagami area, province of Quebec. Per agreement, the Corporation accepted to remit 300,000 common shares to the vendor. The Corporation established the value of these shares at the fair value of mining rights of $6,300. Furthermore, the vendor is entitled to a net smelter return (NSR) of 2%, when commercial production begins; if this situation occurs, the Corporation will have the option to buy back 1% NSR for $500,000 payable to the vendor;

A second agreement was concluded with a group composed of two private companies and one individual for the acquision of 403 mining rights (claims) composing Blocks "A" to "D", located in the Matagami area, province of Quebec. Block "A" is comprised of 111 claims, block "B" 54 claims, block "C" 90 claims and block "D" is comprised of 148 claims. Per agreement, the Corporation accepted to remit 1,500,000 common shares to the vendors. The Corporation established the value of these shares at the fair value of mining rights of $31,500. Furthermore, the vendor is entitled to a net smelter return (NSR) of 2%, when commercial production begins; if this situation occurs, the Corporation will have the option to buy back 1% NSR for $1,000,000 payable to the vendor.

8 PROPERTY AND EQUIPMENT

	Computer equipment $
Gross carrying amount	
Balance, August 17, 2012	-
Acquisition	5,096
Balance, April 30, 2013	5,096
Accumulated depreciation and impairment	
Balance, August 17, 2012	-
Acquisition	779
Balance, April 30, 2013	779
Carrying amount at April 30, 2013	4,317

9 EQUITY

Share capital

The Corporation's share capital is composed of shares fully paid.

Authorized

Unlimited number of shares without par value. All shares are equally admissible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meeting of the Corporation.

(a) During the period, the Corporation proceeded to the following private placements:

(i) On August 30, 2012, the Corporation proceeded with a private placement with shareholder founders. The Corporation proceeded with a first private placement of $25,264 by issuing a total of 4,201,414 shares at a price of $0.006 in conformity with regulation requirements. These shares are in escrow for a period of thirty-six months and can be traded on a thirty-six-month period where 10% can be traded at issuance and thereafter, an additional 15% of shares can be traded every six months. There is no warrants associated to this share issuance;

(ii) On December 19, 2012, the Corporation completed a private placement for the amount of $337,000 by issuing a total of 6,740,000 shares at the price of $0.05 per share in accordance with the regulatory requirements. There is no warrants associated to this share issuance. Issuance cost of shareholders' equity instruments for $4,000 has been reduced to the Share capital account.

(b) On August 31, 2012, the Corporation proceeded with the acquisition of mining rights, by the conclusion of two agreements:

(i) The first agreement was concluded with a private corporation for the acquisition of 81 mining rights. Per agreement, the Corporation accepted to remit 300,000 common shares to the vendor. The Corporation established a price of $0.021 for those shares, for a total consideration of $6,300, in accordance with the regulatory requirements. There is no warrants associated to this share issuance;

(ii) The second agreement was concluded with two private corporations for the acquisition of 403 mining rights. Per agreement, the Corporation accepted to remit 1,500,000 common shares to the vendors. The Corporation established a price of $0.021 for those shares, for a total consideration of $31,500, in accordance with the regulatory requirements. There is no warrants associated to this share issuance.

(c) On April 30th, 2013, the Corporation filed a prospectus in an initial public offering. The Corporation is offering a minimum of 4,666,667 units and a maximum of 10,666,667 units at $0.15 per unit for gross proceeds of a minimum of $700,000 and maximum of $1,600,000. Each unit consists of one common share of the Corporation and one common share purchase warrant, each unit warrant entitling the holder to acquire one additional common share of the Corporation at a price of $0.25 for a period of eighteen (18) months.

The cost of the issue is estimated to be $125,000 excluding agent commission estimated to be 8% of the gross proceed and 8% of the number of common shares issued under this prospectus. In addition, the agent will receive common share purchase warrants entitling the agent to purchase that number of common shares equal to 8% of the number of common shares issued under the prospectus.

(in Canadian dollars)

If a closing for a minimum of 4,666,667 units ($700,000) has not occurred by July 30th, 2013, all subscription funds will be returned to the subscribers, without interest or deduction, as soon as possible thereafter.

Warrants

As at April 30, 2013, the Corporation did not have any warrants issued and outstanding.

10 SHARE-BASED PAYMENTS

The Corporation has a stock option plan whereby the Board of Directors, may grant to directors, officers or consultants of the Corporation, options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a "Rolling" stock option plan reserving a maximum of 10% of the shares of the Corporation at the time of the stock option grant, with a vesting period allowed of zero up to eighteen months, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares. The number of stock options granted to a beneficiary and the vesting period are determined by the Board of Directors.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, officer, employee or consultant of the Corporation according to the terms of the Option Plan of the Corporation.

The changes to the number of stock options granted by the Corporation and their weighted average exercise price are as follows:

	April 30, 2013	
Stock option	**Number**	**Weighted average exercise price $**
Balance – August 17, 2012	-	-
Granted a)b)	750,000	0.10
Exercised	-	-
Balance – End of period	750,000	0.10
Options exercisable – End of period	750,000	0.10

(a) On February 21, 2013, the Corporation granted an aggregate of 750,000 options to its officers and directors. The options are fully vested on the day of granting, in accordance with the option plan. The options issued are exercisable at the price of $0.10 per share. The fair value of these options was estimated at $53,146 using the Black-Scholes option-pricing model with the following assumptions: the stock price estimated at the date of grant is $0.10, expected dividend yield 0%, expected volatility 100%, risk free rate of 1.45% and expected life of 5 years.

(in Canadian dollars)

(b) Considering the price for options granted during the period is lower than the price of the issuance of shares by prospectus, shares that can be issued will not be able to trade freely for three years.

As at April 30, 2013, the Corporation had the following stock options outstanding:

Expiry date	Exercise price $	Options granted	Number of options exercisable	Remaining contracts life (year)
February 20st, 2018	$0.10	750,000	750,000	4.81
	$0.10	750,000	750,000	4.81

11 LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in note 9 et 10.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss was necessary during the period.

	Three months period ended April 30, 2013 $	256 –day period ended April 30, 2013 $
Loss for the period	178,666	370,102
Weighted average number of common shares outstanding	12,741,414	9,247,298
Basic and diluted loss per share	(0.01)	(0.04)

There have been no other transactions involving ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

(in Canadian dollars)

12 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months period ended April 30, 2013 $	256 –day period ended April 30, 2013 $
Office expenses and rent	13,584	25,409
Consulting and management fees	48,468	116,512
Share base payments	53,146	53,146
Professional fees	11,590	20,068
Public company expenses	32,429	115,908
Depreciation and amortization	425	779
Business development	15,233	24,566
Other expense	-	-
	174,875	356,388

13 RELATED PARTY TRANSACTIONS

Key management includes directors and senior executives. The compensation paid to key management is comprised of the following charges:

	Three months period ended April 30, 2013 $	256 –day period ended April 30, 2013 $
Management fees	39,955	108,000
Share based payments	53,146	53,146
	93,101	161,146

Not in the normal course of business, during the period, companies controlled by officers and directors participated in a private placement of common shares for a total cash consideration of $25,264.

On August 31, 2012, mining rights were acquired from a Corporation controlled by a Director, for 600,000 common shares valued at $12,600. This evaluation was based on the number of shares and requested price for the transfer of a similar property acquired by the Corporation, in a transaction that occurred the same day by a non-related party (block ''E").

14 Capital management policies and procedures

The Corporation's capital management objectives are:

– to ensure the Corporation's ability to continue as a going concern;

(in Canadian dollars)

– to increase the value of the assets of the business; and

– to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Corporation's own means.

The Corporation monitors capital on the basis of the carrying amount of equity. Capital for the reporting period under review is summarized in the interim statement of changes in equity.

The Corporation is not exposed to any externally imposed capital requirements except when the Corporation issues flow-through shares for which amounts should be used for exploration and evaluation work. There was no flow-through financing during the period.

The Corporation sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Corporation finances its exploration and evaluation activities principally by raising aditional capital either through private placements or public offerings. When financing conditions are not optimal, the Corporation may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the current reporting period.

15 Financial instruments

	April 30, 2013	
	Carrying value $	Fair Value $
Financial assets and liabilities categories		
Financial assets		
Cash	78,035	78,035
Other receivables	33,759	33,759
	111,794	111,794
Financial liabilities – amortized cost		
Accounts payable and accrued liabilities	90,561	90,561

The carrying value of cash and of accounts payable and accrued liabilities is considered as a reasonable approximation of the market value as a result of the short-term termination of these instruments.

16 FINANCIAL INSTRUMENT RISKS

The Corporation's activities expose it to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

The Corporation's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Corporation's short- to medium-term cash flows by minimizing the exposure to financial markets.

a. Credit risk analysis

Credit risk is the risk that one party to a financial instrument will arise a financial loss for the other party by failing to discharge an obligation.

The Corporation's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	April 30, 2013 $
Cash	78,035
Other receivable	33,759
Carrying amount	111,794

The credit risk for cash and cash - in trust account is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and a reputable lawyer firm.

None of the Corporation's financial assets are secured by collateral or other credit enhancements and all financial assets are considered good credit quality.

b. Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has financing sources such as private and public investments for a sufficient amount.

Over the past period, the Corporation has financed its mining rights acquisitions, its exploration expense and its working capital requirements through a private financing and common share issuance.

The accounts payable and accrued liabilities are all contractually due within twelve months.