ORESTONE MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended January 31, 2013

(Expressed in Canadian Dollars)

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DMCL
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orestone Mining Corp.:

We have audited the accompanying consolidated financial statements of Orestone Mining Corp., which comprise the consolidated statements of financial position as at January 31, 2013 and 2012 and the consolidated statements of comprehensive loss and changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Orestone Mining Corp. as at January 31, 2013 and 2012 and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that give rise to significant doubt about the Orestone Mining Corp.'s ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
May 23, 2013

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	January 31, 2013	January 31, 2012
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,037,813	190,159
Receivables	4	78,265	72,195
Mining tax credit recoverable	6	238,341	216,040
Prepaids		39,494	34,076
		1,393,913	512,470
Non-current assets			
Equipment	5	-	2,837
Exploration and evaluation assets	6	3,476,417	3,102,759
Deposits	6	42,800	42,800
Reclamation bonds	6	29,000	29,000
		3,548,217	3,177,396
		4,942,130	3,689,866
LIABILITIES			
Trade and other payables	7	319,248	432,417
Due to related parties	8	10,000	45,875
		329,248	478,292
SHAREHOLDERS' EQUITY			
Share capital	9	6,006,679	4,709,009
Reserves	9	1,204,012	461,134
Deficit		(2,597,809)	(1,958,569)
		4,612,882	3,211,574
		4,942,130	3,689,866

Nature and continuance of operations (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on May 23, 2013.
They are signed on the Company's behalf by:

"David Hottman" David Hottman, Director

"Gary Nordin" Gary Nordin, Director

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	For the years ended January 31, 2013	2012
		$	$
EXPENSES			
Depreciation	5	453	1,144
Filing fees		24,004	22,331
Investor relations		88,571	83,215
Management and consulting fees	8	15,700	22,000
Office, rent and miscellaneous	8	108,103	53,952
Project research		11,524	3,426
Professional fees		54,529	73,962
Salaries and benefits		184,459	144,466
Share-based payments	9	242,332	143,974
		729,675	548,470
OTHER ITEMS			
Interest income		(2,069)	-
Reversal of flow-through liability	9	(90,750)	-
Loss on debt settlement	9	-	157,332
Loss on dissolution of subsidiary	2	2,384	-
Write-off of receivables		-	45,396
Write-off of exploration and evaluation assets	6	-	162,502
		(90,435)	365,230
COMPREHENSIVE LOSS		(639,240)	(913,700)
LOSS PER SHARE - Basic and diluted	10	(0.03)	(0.07)

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Notes	Number of shares	Share capital	Reserves: Warrants	Reserves: Agent's warrants	Reserves: Share-based payments	Deficit	Total shareholders' equity
			$	$	$	$	$	$
Balance as at January 31, 2011		12,019,973	3,675,979	5,270	-	-	(1,044,869)	2,636,380
Shares issued								
For cash	9	3,066,250	669,610	311,890	-	-	-	981,500
For debt settlement	8, 9	1,311,100	419,552	-	-	-	-	419,552
Share issue costs	9	-	(56,132)	-	-	-	-	(56,132)
Share-based payments	9	-	-	-	-	143,974	-	143,974
Comprehensive loss for the year		-	-	-	-	-	(913,700)	(913,700)
Balance as at January 31, 2012		16,397,323	4,709,009	317,160	-	143,974	(1,958,569)	3,211,574
Shares issued								
For cash	9	19,175,000	1,597,853	402,147	-	-	-	2,000,000
For finder's fee	9	220,500	35,280	-	-	-	-	35,280
Share issue costs	9	-	(244,713)	-	98,399	-	-	(146,314)
Flow-through share premium	9	-	(90,750)	-	-	-	-	(90,750)
Share-based payments	9	-	-	-	-	242,332	-	242,332
Comprehensive loss for the year		-	-	-	-	-	(639,240)	(639,240)
Balance as at January 31, 2013		35,792,823	6,006,679	719,307	98,399	386,306	(2,597,809)	4,612,882

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

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the years ended January 31, 2013	2012
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(639,240)	(913,700)
Non-cash operating items:		
Depreciation	453	1,144
Loss on settlement of debt	-	157,332
Loss on dissolution of subsidiary	2,384	-
Share-based payments	242,332	143,974
Write-off of receivables	-	45,396
Write-off of exploration and evaluation assets	-	162,502
Reversal of flow-through share liability	(90,750)	-
	(484,821)	(403,352)
Changes in non-cash working capital items:		
Receivables	(6,070)	(34,091)
Mining tax credit recoverable	(1,550)	35,042
Prepaids	(5,418)	(31,241)
Trade and other payables	(376,530)	46,581
Due to related parties	(35,875)	(7,019)
Net cash used in operating activities	(910,264)	(394,080)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(131,048)	(337,475)
Deposits	-	(25,300)
Net cash used in investing activities	(131,048)	(362,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	2,000,000	981,500
Share issue costs	(111,034)	(56,132)
Net cash provided by financing activities	1,888,966	925,368
INCREASE IN CASH AND CASH EQUIVALENTS	847,654	168,513
CASH AND CASH EQUIVALENTS, BEGINNING	190,159	21,646
CASH AND CASH EQUIVALENTS, ENDING	1,037,813	190,159

Supplemental disclosures with respect to cash flows (Note 13)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Orestone Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 30, 2007 and its principal business activity is the exploration of mineral properties. The address of the Company's registered and head office is 19th floor, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H4. During the year ended January 31, 2013, the Company completed a 4:1 share consolidation (Note 9). All references to number of shares and per share amounts have been retroactively restated to reflect the share consolidation. The Company's shares are listed on the TSX-Venture Exchange.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date the Company has not generated any significant revenues and is considered to be in the exploration stage. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statement of financial position. Further discussion of liquidity risk has been disclosed in Notes 11 and 12.

These consolidated 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards ("IFRS")
These consolidated financial statements have been prepared in accordance and compliance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation
The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted, which is the Company's functional currency.

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful life of equipment, stock-based awards and payments, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Basis of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Company's subsidiaries are:

	% of ownership	Jurisdiction	Principal activity
Intuitive Exploration Inc.	100%	Canada	Exploration company
Intuitive Exploration USA Inc.*	- %	USA	Exploration company

* The consolidated financial statements of the Company for the year ended January 31, 2013 include 100% of the operating activities (January 31, 2012 – 100% of all accounts) of Intuitive Exploration USA Inc. up to the date of dissolution on September 26, 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Jointly controlled operations and assets

Joint control is defined as contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures). A portion of the Company's exploration activities is conducted jointly with others when the Company enters into agreements that provide for specific percentage interests in exploration properties.

A jointly controlled asset involves joint control and ownership by the Company and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity. The Company accounts for its share of the jointly controlled assets, any liabilities it has incurred, its share of any liabilities jointly incurred with other ventures, income from the sale or use of its share of the joint venture's output, together with its share of the expenses incurred by the joint venture, and any expenses it incurs in relation to its interest in the joint venture.

As at January 31, 2013 and January 31, 2012 the Company has a 51% in the Todd Creek Property joint venture (Note 6), which is accounted for as a jointly controlled asset.

Inter-company balances and transactions

Inter-company balances and transactions, including unrealised income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Foreign currency translation

Functional currency

The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars, which is the presentation and the functional currency of the parent company and all of its subsidiaries.

Transactions and balances

Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates that prevailed at the period end exchange rate. Non-monetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange in effect at the period end exchange rate. Revenue and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results for the year.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the declining balance basis at the following rates per annum:

Equipment	20%
Computer equipment	55%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Mining exploration tax credits from the Government of British Columbia for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective exploration property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Restoration and environmental obligations
Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets

The Company currently has no known material rehabilitation and environmental costs. The Company however has reclamation bonds in place in the amount of $29,000 in respect of the Captain property (Note 6).

Impairment of non-financial assets
The carrying amount of the Company's long-lived assets (which include equipment and exploration and evaluation assets) is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as a charge in the statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a recovery in the statement of comprehensive loss for the period.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Share-based payments

The Company grants share purchase options to directors, officers, employees and consultants to purchase common shares. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

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

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Basic and diluted losses per common share are calculated using the weighted-average number of common shares outstanding during the year.

Financial instruments

Financial assets and financial liabilities are measured initially at fair value plus transaction 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.

<u>Financial assets</u>

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

Fair value through profit or loss - This category comprises of financial assets classified as held for trading that are either derivatives or assets acquired principally for the purpose of selling or repurchasing it 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 comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted when the effect of discounting is immaterial. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty may likely default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured 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 and other relevant indicators, 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 the statement of comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a financial asset is disposed of or a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the cumulative gain or loss is reclassified from equity and recognized in the statement of comprehensive loss.

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 any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above. If in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

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

Fair value through profit or loss - This category comprises of financial liabilities classified as held for trading that are either derivatives or liabilities incurred principally for the purpose of selling or repurchasing it 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 comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company does not have any derivative financial assets and liabilities.

Income taxes
<u>Current income tax:</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred income tax:</u>
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd)

Income taxes (cont'd)

Deferred income tax (cont'd):
Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Segment reporting
The Company operates in a single geographical segment, being Canada, and a single reporting segment, being the acquisition, exploration and development of mineral property interests.

Accounting standards issued but not yet effective
Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2012 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);
c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
d) IFRS 12 Disclosure of Interests in Other Entities (New; to replace disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31);
e) IFRS 13 Fair Value Measurement (New; to replace fair value measurement guidance in other IFRSs);
f) IAS 1 Presentation of Financial Statements, (Amendments regarding Presentation of Items of Other Comprehensive Income);
g) IAS 19 Employee Benefits (Amended in 2011);
h) IAS 27 Separate Financial Statements (Amended in 2011);
i) IAS 28 Investments in Associates and Joint Ventures (Amended in 2011); and
j) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (New).

3. CASH AND CASH EQUIVALENTS

	January 31, 2013	January 31, 2012
	$	$
Cash on hand	375,313	190,159
Short-term investment	662,500	-
	1,037,813	190,159

At January 31, 2013, the Company has a variable rate investment of $662,500 (2012 - $Nil). The instrument yields an interest rate of prime less 1.95%, maturing on October 23, 2013. The short-term investment allows for early redemption after the first 30 days of the investment.

(Expressed in Canadian dollars)

4. RECEIVABLES

Receivables consist of the following:

	January 31, 2013	January 31, 2012
	$	$
Due from joint venture partners (Note 6)	15,557	-
Government taxes receivable	37,652	72,195
Other	3,556	-
Related parties receivable (Note 8)	21,500	-
	78,265	72,195

5. EQUIPMENT

	Computer equipment	Equipment	Total
	$	$	$
Cost			
Balance as at January 31, 2011 and 2012	7,998	4,049	12,047
Dissolution of subsidiary (Note 2)	(7,998)	(4,049)	(12,047)
Balance as at January 31, 2013	-	-	-
Accumulated depreciation			
Balance as at January 31, 2011	6,480	1,586	8,066
Change in assets	672	472	1,144
Balance as at January 31, 2012	7,152	2,058	9,210
Change in assets	201	252	453
Dissolution of subsidiary (Note 2)	(7,353)	(2,310)	(9,663)
Balance as at January 31, 2013	-	-	-
Carrying amounts			
At January 31, 2012	846	1,991	2,837
At January 31, 2013	-	-	-

6. EXPLORATION AND EVALUATION ASSETS

Captain Property
The Company owns a 100% interest in certain mineral claims comprising the Captain Property located near Fort St. James, British Columbia.

At January 31, 2013, included in mineral tax credit recoverable is $195,751 (January 31, 2012 - $175,000) relating to the Captain property, of which $178,000 was received subsequent to year end.

As of January 31, 2013, the Company has a $29,000 (January 31, 2012 - $29,000) reclamation bonds to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Todd Creek Property

On April 3, 2008, the Company signed a property option agreement with Goldeye Explorations Limited ("Goldeye"), Polar Star Mining Corporation ("Polar"), and Geofine Exploration Consultants Ltd. ("Geofine") to acquire an interest in certain claims comprising the Todd Creek Property located in the Skeena Mining Division in northwestern British Columbia.

The Company earned a 51% interest in the Todd Creek Property by making cash payments of $180,000, issuing 170,000 common shares at a fair value of $10,500 and incurring work expenditures of $2,500,000.

Upon earning the 51% interest, the Company, Goldeye, Polar and Geofine formed a Joint Venture (the "JV") on April 30, 2010. Pursuant to the JV agreement, the Company is the operator and holds a 51% interest in the JV and Polar Star and Goldeye (collectively, the "JV partners") each hold a 24.5% interest in the JV.

Upon production, the JV shall pay a royalty to Geofine of 2.5% of the Net Smelter Royalty ("NSR") derived from operations on the Todd Creek Property.

Commencing on or before November 30, 2010 and for each anniversary of that date until an NSR is derived from operations on the property, the JV will provide a payment to Geofine of $25,000 (paid). Such payments will be considered as non-refundable advances on any NSR that Geofine shall be entitled to. The JV has the exclusive option to purchase the NSR for $750,000 for each 0.5% of royalty interest held on the property.

The JV held an option to acquire a 100% interest in the Kelly Funk Property, comprised of certain claims contiguous to the Todd Creek Property, pursuant to an option agreement dated August 19, 2008, and amended on October 22, 2010, between the Company, 802213 Alberta Ltd. and Kelly Brent Funk. During the year ended January 31, 2012, the Company performed an impairment analysis on the Kelly Funk property and concluded that the potential did not justify further work. The Company therefore, wrote-off $78,500 of project expenditures and subsequently terminated the option agreement on the Kelly Funk property.

At January 31, 2013, included in receivables is $15,557 (January 31, 2012 - $Nil) owing from the JV partners.

At January 31, 2013, included in mineral tax credit recoverable is $42,590 (January 31, 2012 - $41,040) relating to the Todd Creek Property.

As at January 31, 2013, recorded in deposits is $17,500 (January 31, 2012 - $17,500) held by Geofine, which has been used towards the posting of a reclamation bond with the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Todd Creek Property.

Connor Creek Property

During the year ended January 31, 2011, the Company acquired an option to earn a 60% interest in certain mineral claims comprising the Connor Creek Property located in the Nelson Mining Division, British Columbia.

During the year ended January 31, 2012, the Company performed an impairment analysis on the Connor Creek property and concluded that the potential did not justify further work. The Company, therefore, wrote-off $84,002 of project expenditures and subsequently terminated the option agreement on the Connor Creek property.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

The Company has incurred the following on acquisition and deferred exploration costs:

	January 31, 2011	Additions	January 31, 2012	Additions	January 31, 2013
	$	$	$	$	$
Captain Property					
Acquisition costs	260,900	15,022	275,922	-	275,922
Deferred exploration costs					
Assays	11,582	5,825	17,407	17,710	35,117
Drilling	-	305,194	305,194	261,800	566,994
Geological	36,074	131,913	167,987	97,789	265,776
Geophysical	-	103,468	103,468	14,407	117,875
Surveying	-	40,846	40,846	-	40,846
Other	875	186	1,061	-	1,061
	48,531	587,432	635,963	391,706	1,027,669
Mining exploration tax credit	(2,500)	(175,020)	(177,520)	(35,311)	(212,831)
	306,931	427,434	734,365	356,395	1,090,760
Todd Creek Property					
Acquisition costs	243,285	12,750	256,035	12,750	268,785
Deferred exploration costs					
Aircraft	626,189	-	626,189	-	626,189
Assays	190,226	2,142	192,368	4,284	196,652
Camp	237,807	-	237,807	-	237,807
Geological consulting (Note 8)	257,421	-	257,421	-	257,421
Drilling	312,864	-	312,864	-	312,864
Field	234,469	-	234,469	-	234,469
Geophysical	280,326	7,284	287,610	1,020	288,630
Other	89,682	1,446	91,128	-	91,128
Professional	58,424	-	58,424	-	58,424
Salaries and wages	410,555	-	410,555	-	410,555
	2,697,963	10,872	2,708,835	5,304	2,714,139
Mining exploration tax credit	(517,976)	-	(517,976)	(791)	(518,767)
Write-off of exploration and evaluation assets	-	(78,500)	(78,500)	-	(78,500)
	2,423,272	(54,878)	2,368,394	17,263	2,385,657
Connor Creek Property					
Acquisition costs	83,369	-	83,369	-	83,369
Deferred exploration costs					
Other	119	514	633	-	633
Write-off of exploration and evaluation assets	-	(84,002)	(84,002)	-	(84,002)
	83,488	(83,488)	-	-	-
Total	2,813,691	289,068	3,102,759	373,658	3,476,417

(Expressed in Canadian dollars)

7. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	January 31, 2013	January 31, 2012
	$	$
Trade payables	294,248	412,417
Accrued liabilities	25,000	20,000
	319,248	432,417

8. RELATED PARTY TRANSACTIONS

a) Key management personnel compensation

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

	January 31, 2013	January 31, 2012
	$	$
Short-term employee benefits	156,000	73,000
Share-based payments	61,347	151,923
	217,347	224,923

b) Other related party transactions

		2013		2012	
	Service	Total charges	Balance outstanding	Total charges	Balance outstanding
		$	$		$
A private company controlled by a director of the Company	Management fees	-	-	18,000	45,875
A private company controlled by a director of the Company	Management fees	-	-	4,000	-
A public company with two directors in common with the Company	Rent	34,654	-	20,076	-
Officers and directors	Consulting fees and geological consulting fees	10,000	10,000	-	-
		44,654	10,000	42,076	45,875

During the year ended January 31, 2012 the Company issued 662,100 shares at a price of $0.20 in settlement for certain debts owed by the Company in the amount of $132,420 to certain directors and officers of the Company, resulting in a loss on settlement of debt of $79,462 (Note 9). As at January 31, 2013 $Nil (January 31, 2012 - $45,875) was owed to certain officers and directors as a result of this settlement.

As at January 31, 2013, included in receivables is $21,500 (January 31, 2012 - $Nil) owing from a director of the Company and a private company controlled by a director of the Company (Note 4).

Amounts owing to/from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment.

9. SHARE CAPITAL

a) Authorized

Authorized: Unlimited number of common shares without par value.

b) Details of issuance of common shares

Fiscal 2013

On October 23, 2012, the Company completed a non-brokered private placement for aggregate proceeds of $2,000,000. The offering consisted of 15,875,000 units at a price of $0.10 per unit and 3,300,000 units on a flow-through basis at a price of $0.125. Each non-flow through unit consisted of one common share and one-half of one common share purchase warrant exercisable for one common share of the Company at a price of $0.15 until October 23, 2013. Each flow-through unit consisted of one common share and one-half of one common share purchase warrant exercisable for one common share of the Company at a price of $0.17 until October 23, 2013. The warrants were allocated a fair value of $402,147 using the Black Scholes Option Pricing Model. The Company paid finders' fees of $73,325 in cash and issued 220,500 units of the Company ("finder's units") which were allocated a fair value of $35,280. Each finder's unit consisted of one common share of the Company and one half of one non-transferable common share purchase warrant ("finder's unit warrant"). The finder's unit warrants entitle the holders to purchase one common share of the Company, of which 89,250 are exercisable at $0.15 until October 23, 2013 and 21,000 are exercisable at $0.17 until October 23, 2013. In addition, the Company issued 931,000 non-transferable finder's warrants entitling the holder to acquire one common share, of which 798,000 are exercisable at $0.10 until October 23, 2013 and 133,000 are exercisable at $0.125 until October 23, 2013. The finder's warrants were allocated a fair value of $98,399 using the Black Scholes Option Pricing Model and have been recorded as a share issuance cost. An aggregate of $37,709 was included in share issue costs.

On issuance of flow-through shares, the Company bifurcates the flow-through share into (i) a flow through share premium which investors pay for the flow-through feature, which is recognized as a liability and (ii) share capital. On issuance, there was a flow-through share premium of $90,750. To January 31, 2013, the Company expended the eligible exploration expenditures and, accordingly, the flow-through share liability was reduced to $Nil.

Fiscal 2012

(i) On July 11, 2011, the Company completed a non-brokered private placement for gross proceeds of $245,000 by issuing 1,225,000 units at $0.20 per unit. Each unit is comprised of one common share and one non-transferrable share-purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at $0.40 per share for a period of 2 years. The warrants were allocated a fair value of $112,339 using the Black Scholes Option Pricing Model and have been recorded as share issuance cost. An aggregate of $9,490 was included in share issue costs.

(ii) On August 30, 2011, the Company issued 1,311,000 common shares at a fair value of $419,552 in settlement of certain debts owed by the Company for an aggregate amount of $262,220. The Company recorded a loss on debt settlement of $157,332.

(iii) On November 29 and December 2, 2011, the Company completed a non-brokered private placement for aggregate proceeds of $736,500. The offering consisted of 1,841,250 units at a price of $0.40 per unit. Each unit consists of one common share and one-half common share purchase warrant, each whole warrant exercisable into one common share of the Company at a price of $0.80 per share. Of these warrants 764,375 are exercisable until November 29, 2012 and 156,250 until December 2, 2012. The warrants were allocated a fair value of $199,551 using the Black Scholes Option Pricing Model and have been recorded as share issuance cost. The Company paid finders' fees of $29,505 and an aggregate of $17,137 was included in share issue costs.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

c) Warrants

The continuity of warrants is as follows:

Expiry date	Exercise price	January 31, 2011	Issued	Expired/ cancelled	January 31, 2012	Issued	Expired/ cancelled	January 31, 2013
	$							
December 18, 2011	0.60	912,600	-	(912,600)	-	-	-	-
June 2, 2012	0.60	50,000	-	-	50,000	-	(50,000)	-
November 29, 2012	0.80	-	764,375	-	764,375	-	(764,375)	-
December 2, 2012	0.80	-	156,250	-	156,250	-	(156,250)	-
July 11, 2013	0.40	-	1,225,000	-	1,225,000	-	-	1,225,000
October 23, 2013	0.15	-	-	-	-	7,937,500	-	7,937,500
October 23, 2013	0.17	-	-	-	-	1,650,000	-	1,650,000
		962,600	2,145,625	(912,600)	2,195,625	9,587,500	(970,625)	10,812,500
Weighted average exercise price ($)		0.60	0.57	0.60	0.56	0.15	0.79	0.18

The weighted average remaining contractual life of the outstanding warrants as at January 31, 2013 is 0.69 years (January 31, 2012 – 1.16 years).

d) Finder's warrants

The continuity of finder's warrants is as follows:

Expiry date	Exercise price	January 31, 2011 and 2012	Issued	January 31, 2013
	$			
October 23, 2013	0.10	-	798,000	798,000
October 23, 2013	0.125	-	133,000	133,000
October 23, 2013	0.15	-	89,250	89,250
October 23, 2013	0.17	-	21,000	21,000
		-	1,041,250	1,041,250
Weighted average exercise price ($)		-	0.11	0.11

The weighted average remaining contractual life of the outstanding finder's warrants as at January 31, 2013 is 0.73 years (January 31, 2012 – Nil).

The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the various warrants and agent warrants:

	January 31, 2013	January 31, 2012
Risk-free interest rate	1.14%	0.89%- 2.09%
Annualized volatility	132%	270% - 295%
Expected dividend yield	Nil	Nil
Expected option life	1 year	1 – 2 years

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

e) Share purchase option compensation plan

The Company has adopted an incentive share option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-Venture Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares to be outstanding at closing. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares.

The continuity of options is as follows:

Expiry date	Exercise price	January 31, 2011	Issued	January 31, 2012	Issued	Expired/ forfeited	January 31, 2013
	$						
March 7, 2013*	0.80	187,500	-	187,500	-	(62,500)	125,000
April 15, 2013	0.40	-	-	-	75,000	(75,000)	-
September 8, 2013	0.42	-	138,750	138,750	-	-	138,750
January 12, 2015	0.60	75,000	-	75,000	-	(25,000)	50,000
September 8, 2015	0.42	-	481,250	481,250	-	(112,500)	368,750
September 29, 2015	0.40	-	50,000	50,000	-	-	50,000
October 26, 2017	0.15	-	-	-	2,372,000	(17,000)	2,355,000
		262,500	670,000	932,500	2,447,000	(292,000)	3,087,500
Weighted average exercise price ($)		0.76	0.42	0.51	0.16	0.50	0.23
Options vested and exercisable		262,500	670,000	605,000	75,000		732,500
Weighted average exercise price ($)		0.76	0.42	0.60	0.40		0.50

* Subsequently expired, unexercised.

At January 31, 2013 the weighted average remaining life of the outstanding and exercisable options is 2.76 years (January 31, 2012 – 3.33 years).

On April 15, 2012, the Company granted stock options to a consultant of the Company to purchase a total of 75,000 common shares at a price of $0.40 per share, exercisable until April 15, 2013. These stock options vested immediately.

On October 26, 2012, the Company granted directors, officers, employees and consultants of the Company incentive stock options to purchase an aggregate of 2,372,000 common shares at a price of $0.15 per share, exercisable until October 26, 2017. The options vest at a rate of 25% on February 26, 2013 and at a rate of 25% every three months thereafter.

On September 9, 2011, the Company granted stock options to directors and consultants of the Company to purchase an aggregate of 620,000 common shares at a price of $0.42 per share, exercisable until September 29, 2015. The options vest at a rate of 25% on December 9, 2011 and at a rate of 25% every three months thereafter.

On September 30, 2011, the Company granted stock options to directors and consultants of the Company to purchase an aggregate of 50,000 common shares at a price of $0.40 per share, exercisable until September 29, 2015. The options vest at a rate of 25% on December 9, 2011 and at a rate of 25% every three months thereafter.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

e) Share purchase option compensation plan (cont'd)

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	January 31, 2013	January 31, 2012
Risk-free interest rate	1.22% – 1.39%	1.01% – 1.38%
Annualized volatility	135% – 173%	131% – 142%
Expected dividend yield	Nil	Nil
Expected option life	1– 5 years	4 years

Based on these variables, share based payment expense for the options vested during the year ended January 31, 2013 was $242,332 (January 31, 2012 - $143,974).

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

f) Reserves

The reserves account records items recognized as share-based compensation expense and other share-based payments. When stock options are exercised, the corresponding amount will be transferred to share capital. Amounts recorded for forfeited or expired unexercised options remain in the reserves account. Amounts recorded for exercised, cancelled or expired warrants remain in the reserves account.

10. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended January 31, 2013 was based on the loss attributable to common shareholders of $639,240 (January 31, 2012 – $913,700) and a weighted average number of common shares outstanding of 21,711,159 (January 31, 2012 – 13,459,603).

Diluted loss per share did not include the effect of 10,812,500 warrants, 1,041,250 agent's warrants and 3,087,500 stock options (January 31, 2012 – 2,195,625, Nil and 932,500, respectively) because they are anti-dilutive.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, receivables, mineral tax credit recoverable, trade payables and due to related parties. The carrying value of these financial instruments approximates their fair value. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest risk.

Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks, which include credit risk, interest rate risk, liquidity risk, and market risk.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings, mineral tax credit recoverable and other receivables. The Company manages credit risk by placing cash and cash equivalents with major Canadian financial institutions. Receivables and mineral tax credit recoverable are due from the Government of Canada. Management believes that credit risk related to these amounts is low.

Interest Rate Risk
Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal and relates to its ability to maintain the current rate of interest on its short-term investment.

Liquidity Risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk or interest rate risk.

Management of Industry Risk
The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

12. CAPITAL MANAGEMENT

The Company considers its capital structure to be shareholders' equity represented by net assets over liabilities. The Company manages its capital structure based on the funds available to the Company, in order to support acquisition, maintenance, exploration, and development of exploration and evaluation assets.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

The Company is not subject to externally imposed capital restrictions.

(Expressed in Canadian dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions were as follows:

	January 31, 2013	January 31, 2012
	$	$
Exploration and evaluation assets in trade and other payables	263,361	289,095
Common shares issued for settlement of debt (Note 9)	-	419,552
Common shares issued for finders' fees (Note 9)	35,280	-
Fair value of warrants (Note 9)	402,147	311,890

14. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	January 31, 2013	January 31, 2012
	$	$
Loss for the year	(639,240)	(913,700)
Statutory tax rate	25.00%	26.50%
Expected income tax recovery	(159,810)	(242,131)
Permanent differences	21,529	81,643
Impact of tax rate changes	-	8,173
Change in prior year estimate	34,301	16,109
Flow-through renunciation	103,125	-
Change in valuation allowance	855	136,206
Deferred income tax recovery	-	-

The Company's tax-effected future income tax assets and liabilities are estimated as follows:

	January 31, 2013	January 31, 2012
	$	$
Exploration and evaluation assets	(16,363)	110,511
Loss carry-forwards	672,874	571,861
Equipment	7,183	6,474
Share issuance costs	70,501	44,496
	734,195	733,340
Less: Valuation allowance	(734,195)	(733,340)
Net deferred income tax assets	-	-

(Expressed in Canadian dollars)

14. INCOME TAXES (cont'd)

The tax pools relating to these deductible temporary differences expire as follows:

	Exploration and evaluation assets	Loss carry-forwards	Share issuance costs
	$	$	$
2014	-	-	111,367
2015	-	-	60,620
2016	-	-	60,622
2017	-	-	49,393
2028	-	82,258	-
2029	-	589,427	-
2030	-	565,162	-
2031	-	458,077	-
2032	-	550,304	-
2033	-	446,267	-
No expiry	(65,450)	-	-
	(65,450)	2,691,495	282,002

Provision for current tax

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended January 31, 2013, the Company received $412,500 from the issue of flow-through shares. These amounts will not be available to the Company for future deductions from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium," are recorded as a deferred charge. Upon issuance of the flow-through shares, the Company recorded a premium of $90,750. As expenditures are renounced, the charge is reversed. The net amount is recognized as flow-through share liability reversal. To January 31, 2013, the Company expended the required amount in eligible expenditures and accordingly, the flow-through share liability was reduced to $Nil.

Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at January 31, 2013, the Company has approximately $2,692,000 in non-capital losses that can be offset against taxable income in future years which begin expiring at various dates commencing in 2028. The potential future tax benefit of these losses has not been recorded as a full-future tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses.