Foxpoint Capital Corp.

Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2012 and 2011

Foxpoint Capital Corp.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

All of the information in the unaudited interim condensed consolidated financial statements of Foxpoint Capital Corp. is the responsibility of management. The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Where necessary, management has made judgments and estimates in preparing the consolidated financial statements, and such statements have been prepared within acceptable limits of materiality. The financial information contained elsewhere in the management discussion and analysis annual report has been reviewed to ensure that it is consistent with the unaudited interim condensed consolidated financial statements.

Management maintains appropriate systems of internal control, given its size, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee.

Fraser Buchan
Chief Executive Officer
November 29, 2012

Dustin K. Angelo
Chief Financial Officer
November 29, 2012

Foxpoint Capital Corp.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Presented in Canadian dollars

	Notes	September 30, 2012	December 31, 2011
ASSETS			
Current		**(unaudited)**	
Cash	7	**$ 216,134**	$ 439,141
Accounts receivable	7	**10,182**	10,182
HST recoverable		**49,303**	35,910
Total assets		**$ 275,619**	$ 485,233
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	**$ 28,474**	$ 141,774
Total liabilities		**28,474**	141,774
SHAREHOLDERS' EQUITY			
Share capital	3,6	**670,839**	658,809
Option reserve		**33,803**	36,013
Deficit		**(457,497)**	(351,363)
Total shareholders' equity		**247,145**	343,459
Total liabilities and shareholders' equity		**$ 275,619**	$ 485,233
Subsequent events	1		

See accompanying notes to the unaudited interim condensed consolidated financial statements

Fraser Buchan (*signed*), Director

Stephen McLean Jr (*signed*), Director

Foxpoint Capital Corp.

UNAUDITED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Presented in Canadian dollars

	Notes	For the three months ended September 30, 2012	2011	For the nine months ended September 30, 2012	2011
General and administrative					
Audit and accounting		**$ 3,000**	$ -	**$ 12,900**	$ 4,279
Accounting services recovery		**-**	-	**-**	(12,000)
Legal		**-**	123	**-**	22,115
TSX venture exchange		**3,124**	575	**15,749**	12,466
Transfer agent and trust		**3,094**	3,407	**12,613**	8,356
Other general and administrative		**892**	-	**2,697**	366
Total general and administrative		**10,110**	4,105	**43,959**	35,582
Qualifying transaction identification	8	**11,515**	2,933	**62,175**	2,933
Net loss and comprehensive loss		**$ 21,625**	$ 7,038	**$ 106,134**	$ 38,515
Basic and diluted loss per share	5	**$ 0.02**	$ 0.01	**$ 0.08**	$ 0.03
Basic and diluted shares outstanding	5	**1,299,100**	1,250,000	**1,270,787**	1,250,000
		1,299,100	1,250,000	**1,270,787**	1,250,000

See accompanying notes to the unaudited interim condensed consolidated financial statements

Foxpoint Capital Corp.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Presented in Canadian dollars

	Note	Share capital		Option reserve	Accumulated deficit	Total equity
		Shares	Dollars			
December 31, 2010		6,250,000	$ 658,809	$ 36,013	$ (171,770)	$ 523,052
Net loss		-	-	-	(35,582)	(35,582)
September 30, 2011		6,250,000	658,809	36,013	(207,352)	487,470
Net loss		-	-	-	(144,011)	(144,011)
December 31, 2011		**6,250,000**	**$ 658,809**	**$ 36,013**	**$ (351,363)**	**$ 343,459**
Stock option exercises		**49,100**	**12,030**	**(2,210)**	**-**	**9,820**
Cancellation of shares		**(2,050,000)**	**-**	**-**	**-**	**-**
Net loss		**-**	**-**	**-**	**(106,134)**	**(106,134)**
September 30, 2012		**4,249,100**	**$ 670,839**	**$ 33,803**	**$ (457,497)**	**$ 247,145**

See accompanying notes to the unaudited interim condensed consolidated financial statements

Foxpoint Capital Corp.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
Presented in Canadian dollars

	For the three months ended September 30,		For the nine months ended September 30,	
	2012	2011	**2012**	2011
Net loss	**$ (21,625)**	$ (7,038)	**$ (106,134)**	$ (38,515)
Share-based payment expense		-		-
Changes in non-cash assets and liabilities				
Accounts payable and accrued liabilities	**(4,672)**	(4,696)	**(123,120)**	(63,130)
Related party liabilities	**-**	-	**-**	(10,170)
HST recoverable	**(3,107)**	(13,271)	**(13,393)**	(6,310)
Cash used in operating activities	**(29,404)**	(25,005)	**(242,647)**	(118,125)
Cash flows from investing activities	**-**	-	**-**	-
Exercise of stock options	**-**	-	**9,820**	-
Cash provided from financing activities	**-**	-	**9,820**	-
Decrease in cash for the period	**(29,404)**	(25,005)	**(223,007)**	(118,125)
Cash at the beginning of the period,	**245,538**	495,746	**439,141**	588,866
Cash at the end of the period,	**$ 216,134**	$ 470,741	**$ 216,134**	$ 470,741

See accompanying notes to the unaudited interim condensed consolidated financial statements

1. NATURE OF THE COMPANY

Foxpoint Capital Corp. (“Foxpoint” or the "Company") was incorporated under the Business Corporations Act (Ontario) on December 16, 2009 and commenced activities on January 29, 2010. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). The Company has not commenced commercial operations and its only assets are cash, accounts receivable and HST recoverable. On December 8, 2011, 2308800 Ontario Inc., was incorporated under the laws of Ontario and is a wholly-owned subsidiary of the Company. 2308800 Ontario Inc. has not carried on any business to date and was incorporated for the purpose of implementing the Qualifying Transaction described in note 8. The Company proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange policy 2.4. There can be no assurance that the Company will complete the Qualifying Transaction within the stipulated time frame as required by the Exchange.

The registered head office is 200-83 Yonge Street, Toronto, Ontario, Canada.

On January 23, 2012, the Company announced that it had entered into an acquisition agreement dated January 23, 2012 (the "Acquisition Agreement") to acquire, by means of amalgamation involving 2308800 Ontario Inc. ("Foxpoint Subco", a wholly-owned subsidiary of the Company), all of the issued and outstanding common shares in the capital of Telegraph Gold Inc. ("Telegraph") (the "Telegraph Shares") (the "Transaction"). On September 6, 2012, Telegraph completed the acquisition of the Castle Mountain venture. On November 2, 2012, the Company, Foxpoint Subco and Telegraph terminated the initial acquisition agreement dated January 23, 2012. Due to this acquisition and changes in the circumstances with respect to Foxpoint and Telegraph, it was decided that it was in the best interests of both parties to terminate the initial acquisition agreement. The acquisition agreement reflects the new circumstances referred to above, including, among other things, Telegraph’s recent acquisition of the Castle Mountain venture and the elimination of a share consolidation of Foxpoint.

The Transaction is further described in note 8.

Following the meeting of the Company’s shareholders on September 4, 2012, the Company transferred its listing to the NEX Board of the TSX Venture Exchange. Further, pursuant to Exchange Policy 2.4 – *Capital Pool Companies*, the Company cancelled 2,050,000 common shares of the Company held by certain non-arms length parties to Foxpoint.

Statement of Compliance

These unaudited interim condensed consolidated financial statements are unaudited and have been prepared in accordance with *IAS 34 “Interim Financial Reporting*“ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The interim financial statements of the Company for the three and nine months ended September 30, 2012 and 2011, have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 29, 2012. Shortly thereafter, the financial statements are made available to shareholders and others through filing on the System for Electronic Document Analysis and Retrieval (“SEDAR”).

The functional currency of the Company and its subsidiary is the Canadian dollars and the financial statements have been presented in Canadian dollars.

These unaudited interim condensed consolidated financial statements should be read in conjunction with

the financial statements for the year ended December 31, 2011.

2. ACCOUNTING CHANGES AND RECENT ACCOUNTING PRONOUNCEMENTS

On January 1, 2012, the Company adopted the amendments required by IFRS 7 "Financial instruments – Disclosures" ("IFRS 7"). The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The adoption of IFRS 7 did not have an impact on the Company's unaudited interim condensed consolidated financial statements.

Accounting pronouncements for the years beginning on January 1, 2013 and later are included in the Company's financial statements for the years ended December 31, 2011 and 2010.

3. SHARE CAPITAL

Authorized
Unlimited common shares

Issued
During the three and nine months ended September 30, 2012, nil and 49,100 shares, respectively, were issued as a result of the exercise of stock options. No shares were issued during the three and nine months ended September 30, 2011.

As noted in note 1, 2,050,000 common shares of the Company held by non-arms length parties were cancelled.

4. INCENTIVE STOCK OPTIONS AND AGENT OPTIONS, AND STOCK OPTION RESERVE

No stock options were exercised or expired in the three months ended September 30, 2012.

A total of 49,100 stock options were exercised and 50,900 options expired during the nine months ended September 30, 2012.

No stock options were issued during the three and nine months ended September 30, 2011.

Expiry Date	Outstanding September 30, 2012	Exercise Price	Exercisable	Weighted Average Remaining Contractual Life (Years)
June 3, 2015	450,000	$0.20	450,000	2.67
	450,000	**$0.20**	**450,000**	**2.67**

5. LOSS PER SHARE

The basic and fully diluted loss per share has been calculated using the weighted average number of 1,299,100 and 1,270,787 for the three and nine months ended September 30, 2012, respectively and 1,250,000 for the three and nine months ended September 30, 2011. There was no difference between basic and fully diluted shares for the three and nine months ended September 30, 2012 and 2011 as a result of the net loss for the period. 2,050,000 common shares were excluded from the calculation for the

three and nine months ended September 30, 2012 and 5,000,000 common shares were excluded from the calculation for the three months and nine months ended September 30, 2011, as they were contingently issuable and all the conditions necessary for their issuance have not been satisfied.

6. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of share capital, option reserve and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under policy 2.4 of the Exchange. The Company is not subject to any other externally imposed capital requirements. As at September 30, 2012, the Company's capital consists of equity in the amount of $247,145 (December 31, 2011 - $343,459). As at September 30, 2012 the Company had cash of $216,134 (December 31, 2011 - $439,141).

7. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments, consisting of cash, accounts receivable and accounts payable and accrued liabilities, and related party liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal. The Company believes the credit risk associated with the accounts receivable is low and monitors the collectability of the accounts receivable on a regular basis.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and obligations as they become due. The Company approach to managing liquidity risk is to ensure that it will have sufficient cash resources to meet liabilities when due. All financial liabilities are current and are subject to normal trade terms.

As at September 30, 2012, the Company had accounts payable and accrued liabilities of $28,474, (December 31, 2011 - $141,774) due within 12 months of the balance sheet date and had cash of $216,134 (December 31, 2011 - $439,141) to meet its current obligations. As a result the Company has minimal liquidity risk.

Interest rate risk

The Company is not exposed to significant interest risk as it has $216,134 in cash as at September 30, 2012, held in a chequing account that does not earn interest.

Foreign currency risk

The Company's reporting currency is the Canadian dollar and major transactions are denominated in Canadian dollars. Therefore the Company's currency risk is not significant.

8. Qualifying Transaction

On January 23, 2012, the Company announced that it had entered into an acquisition agreement dated January 23, 2012 (the "Acquisition Agreement") to acquire, by means of amalgamation involving 2308800 Ontario Inc. ("Foxpoint Subco", a wholly-owned subsidiary of the Company), all of the issued and outstanding common shares in the capital of Telegraph Gold Inc. ("Telegraph") (the "Telegraph Shares") (the "Transaction"). On September 6, 2012, Telegraph completed the acquisition of the Castle Mountain venture. On November 2, 2012, the Company, Foxpoint Subco and Telegraph terminated the initial acquisition agreement dated January 23, 2012. Due to this acquisition and changes in the circumstances with respect to Foxpoint and Telegraph, it was decided that it was in the best interests of both parties to terminate the initial acquisition agreement. The acquisition agreement reflects the new circumstances referred to above, including, among other things, Telegraph's recent acquisition of the Castle Mountain venture and the elimination of a share consolidation of Foxpoint.

Prior to closing of the Transaction, the Acquisition Agreement contemplates Telegraph completing a financing to raise gross proceeds of a minimum of $500,000 and up to $15,000,000 (the "Telegraph Financing").

Prior to closing of the Transaction, Telegraph proposes to complete a brokered private placement of Telegraph Shares, or other securities of Telegraph, through a syndicate of agents (the "Agents") for gross proceeds of up to $15,000,000 (the "Telegraph Financing") and upon completion of the Transaction, all of the issued and outstanding Telegraph Shares (including those issued pursuant to the Telegraph Financing) will be exchanged for common shares in the capital of Foxpoint (the "Foxpoint Shares").

The Transaction, if completed, will be structured as a three-cornered amalgamation (the "Amalgamation") and is intended to constitute Foxpoint's "Qualifying Transaction", as such term is defined pursuant to Exchange Policy 2.4. Upon completion of the Transaction, all of the issued and outstanding Telegraph Shares (including those issued pursuant to the Telegraph Financing) will be exchanged for common shares (the "Foxpoint Shares") in the capital of Foxpoint. Each shareholder of Telegraph (each, a "Telegraph Shareholder") will receive one Foxpoint Share in exchange for each Telegraph Share (the "Exchange Ratio"). All convertible securities in the capital of Telegraph, including common share purchase warrants and all outstanding options to purchase Telegraph Shares, will be exchanged for convertible securities of Foxpoint in accordance with the Exchange Ratio. The precise number of securities to be issued by Foxpoint to acquire Telegraph is unknown at this time and will depend on the final size and terms of the Telegraph Financing.

Upon or immediately prior to completion of the Transaction, Foxpoint's name will be changed (the "Name Change") to "Telegraph Gold Corp." (the "Resulting Issuer"). The entity resulting from the Amalgamation will be a wholly-owned subsidiary of the Resulting Issuer, which will own, directly or indirectly, all of the mining claims that comprise the Telegraph Gold Project and Castle Mountain Project (as defined below), as well as the Mt. Vernon claims. Shareholder approval for the name change was obtained at Foxpoint's annual and special meeting of shareholders (the "Foxpoint Shareholders") on March 14, 2012. In connection with the Transaction, Foxpoint will apply for the Resulting Issuer to be listed on the Exchange as a Tier 1 mining issuer.

Foxpoint will hold a special meeting of Foxpoint Shareholders (the "Meeting") to vote on the Transaction (the "Transaction Resolution"). The Transaction Resolution must be approved by an affirmative vote of a simple majority of the votes cast by Foxpoint Shareholders present in person or by proxy in respect of the Transaction Resolution at the Meeting, excluding the votes of Fraser Buchan and Robert Buchan, who are related parties, and whose 1,450,000 common shares of Foxpoint will be excluded from the vote. Telegraph Shareholder approval of the Amalgamation will also be obtained at a special meeting of Telegraph Shareholders.

The Transaction remains subject to satisfaction or waiver of conditions set out in the Acquisition Agreement, including the following: (i) approval of the Transaction by Foxpoint Shareholders; (ii) approval of the Amalgamation by Telegraph Shareholders; (iii) conditional approval of the Transaction by the Exchange; (iv) receipt of all required or desirable regulatory approvals, consents and waivers; (v) completion of the Telegraph Financing; and (vi) compliance with all other applicable regulatory requirements and conditions. As of the date of this press release, Foxpoint Shareholder approval of the Name Change and the election of the board of directors of the Resulting Issuer have been obtained.