

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

December 31, 2012 and 2011

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)
Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

December 31, 2012 and 2011

INDEX **Page**

Notice of No Auditor Review of Condensed Interim Financial Statements	3
Condensed Interim Financial Statements	
Condensed Interim Statements of Financial Position	4
Condensed Interim Statements of Operations and Comprehensive Loss	5
Condensed Interim Statements of Shareholders' Equity	6
Condensed Interim Statements of Cash Flows	7
Notes to Condensed Interim Financial Statements	8 - 23

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

Notice of disclosure of non-auditor review of condensed interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators. The accompanying condensed interim financial statements of the Company for the nine month period ended December 31, 2012 have been prepared in accordance with International financial reporting standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed interim financial statements.

"Tim McNulty" (signed)
Tim McNulty
Chief Financial Officer

Vancouver, British Columbia
February 19, 2013

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	December 31 2012	March 31 2012
ASSETS		
Current		
Cash and cash equivalents	$ 101,215	$ 124,146
Accounts receivable	59,571	14,329
Prepaid expenses	7,381	78,715
	168,167	217,190
Equipment (note 4)	15,940	19,022
Exploration and evaluation assets (note 5)	684,111	632,111
	$ 868,218	$ 868,323
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Trade and other accounts payable (note 6)	$ 298,969	$ 114,600
Flow-through share premium liability	-	52,283
	298,969	166,883
Shareholders' equity		
Capital stock (note 7)	4,172,684	3,767,044
Share-based payment reserve	572,620	572,620
Deficit	(4,176,055)	(3,638,224)
	569,249	701,440
	$ 868,218	$ 868,323

Approved by the Board:

(signed)*"Paul Reynolds"*
Paul Reynolds, Director

(signed)*"Tim McNulty"*
Tim McNulty, Director

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
Nine months ended December 31

	Three months ended		Nine months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Administrative expenses				
Property expenditures	$ 314,934	$ 15,846	$ 393,827	$ 398,923
Administration	9,000	-	9,000	-
Consulting	-	-	-	15,000
Shareholders' communications	880	8,375	2,220	46,316
Rent	7,144	17,644	21,492	50,932
Salaries	(18,681)	40,500	26,734	133,334
Listing and transfer agent	4,118	3,537	9,600	12,249
Office	6,372	5,640	17,295	15,750
Professional fees	23,936	11,032	42,785	19,698
Travel	-	2,365	3,272	6,588
Amortization	1,027	1,188	3,082	3,566
Share-based payments (note 7)	-	10,786	-	39,380
Marketing and conferences	-	-	-	589
Loss before other item	(348,730)	(116,913)	(529,307)	(742,325)
Other item				
Interest income	-	356	193	1,219
Write off of property acquisition costs	(61,000)	-	(61,000)	-
Flow-through premium liability recovery (note 10(b))	39,952	-	52,283	-
	(21,048)	356	(8,524)	1,219
Net loss and comprehensive loss for the period	$ (369,778)	$ (116,557)	$ (537,831)	$ (741,106)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.03)
Basic and diluted weighted average number of common shares outstanding	33,542,304	26,170,565	31,244,973	25,306,818

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of Shares	Capital Stock	Share-Based Payment Reserve	Deficit Accumulated During Exploration Stage	Total
Balance: March 31, 2011	22,201,000	$3,010,282	$489,904	$(2,842,409)	$657,777
Shares issued for cash:					
Private placement	3,750,000	600,000	32,778	-	632,778
Share issuance costs	-	(82,636)	8,340	-	(74,296)
Shares issued for exploration and evaluation properties	400,000	42,000	-	-	42,000
Share-based payments	-	-	39,380	-	39,380
Net loss for the period	-	-	-	(741,106)	(741,106)
Balance: December 31, 2011	26,351,000	3,569,646	570,402	(3,583,515)	556,533
Shares issued for cash					
Private placement	4,100,000	205,000	-	-	205,000
Share issuance costs	-	(7,602)	-	-	(7,602)
Share-based payments	-	-	2,218	-	2,218
Net loss for the period	-	-	-	(54,709)	(54,709)
Balance: March 31, 2012	30,451,000	3,767,044	572,620	(3,638,224)	701,440
Shares issued for cash					
Private placement	12,000,000	300,000	-	-	300,000
Shares issued for exploration and evaluation properties	2,700,000	108,000	-	-	108,000
Share issuance costs	-	(2,360)	-	-	(2,360)
Net loss for the period	-	-	-	(537,831)	(537,831)
Balance: December 31, 2012	45,151,000	$4,172,684	$572,620	$(4,176,055)	$569,249

CENTRAL RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the Nine Months Ended December 31
(Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Operating activities				
Net loss	$ (369,778)	$ (116,557)	$ (537,831)	$ (741,106)
Items not affecting cash:				
Amortization	1,027	1,188	3,082	3,566
Write off of property acquisition costs	61,000	-	61,000	-
Share-based payments	-	10,786	-	39,380
Flow-through premium liability recovery	(39,952)	117,222	(52,283)	117,222
Changes in non-cash working capital:				
Accounts receivable	(53,155)	32,429	(45,242)	64,502
Prepaid expenses	(1,050)	2,587	71,334	5,963
Trade and other accounts payable	79,118	80,812	184,369	85,993
Cash provided by (used in) operating activities	(322,790)	128,467	(315,571)	(424,480)
Investing activities				
Exploration and evaluation property option payments	-	7,310	(5,000)	(20,690)
Cash provided by (used in) investing activities	-	7,310	(5,000)	(20,690)
Financing activity				
Issuance of capital stock	300,000	(105,000)	300,000	600,000
Share issue costs	(2,360)	(74,296)	(2,360)	(74,296)
Cash provided by (used in) financing	297,640	(179,296)	297,640	525,704
Increase (decrease) in cash	(25,150)	(43,519)	(22,931)	80,534
Cash and cash equivalents, beginning of period	126,365	175,192	124,146	51,139
Cash and cash equivalents, end of period	$ 101,215	$ 131,673	$ 101,215	$ 131,673

1. NATURE OF OPERATIONS AND GOING CONCERN

Central Resources Corp. (the "Company") was incorporated under the laws of British Columbia, Canada, on June 6, 2007. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange ("TSX-V").

The head office and records office of the Company are located at 510 – 1199 West Pender Street, Vancouver, British Columbia, Canada, V6E 2R1.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Several conditions cast doubt on the validity of this assumption. For the nine month period ended December 31, 2012, the Company has incurred an operating loss of $537,831 (2011 - $741,106), has an accumulated deficit of $4,176,055 (March 31, 2012 - $3,638,224), limited resources, no source of operating cash flow and no assurances that sufficient funding will continue to be available to conduct further exploration and development of its mineral property interests.

The Company does not generate cash flow from operations to fund its activities and has therefore relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company, particularly in view of current market conditions. Although these condensed interim financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral property interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying values of the Company's mineral property interests do not reflect current or future values.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of presentation

These condensed interim financial statements should be read together with the Company's annual financial statements for the year ended March 31, 2012. They do not include all the information required for full annual financial statements. The Company's accounting policies are set out therein, and have been consistently applied to all periods presented in these condensed interim financial statements.

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The Board of Directors approved these condensed interim financial statements on February 19, 2013. The Company's functional and reporting currency is the Canadian dollar.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the period. Significant areas requiring the use of estimates include accrual of liabilities, rates of amortization of equipment, impairment and recoverability of exploration and evaluation properties, provisions for environmental rehabilitation, the inputs used in the option pricing models to calculate the fair value of share-based payments and finder's warrants, the inputs used in calculating the fair value of warrants included in units issued in private placements and the recognition of deferred income tax assets. While management believes the estimates to be reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

New standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2012 and have not been applied in preparing these financial statements:

IFRS 9: *Financial Instruments* was issued in November 2009 as the first step to replace IAS 39: *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 also amends some of the requirements of IFRS 7: *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income/loss and guidance on financial liabilities and de-recognition of financial instruments. In December 2011, an amendment was issued that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. The Company is currently assessing the impact of adopting IFRS 9 on its financial statements.

IFRS 10: *Consolidated Financial Statements* was issued in May 2011 to replace IAS 27: *Consolidated and Separate Financial Statements* and SIC 12: *Consolidation – Special Purpose Entities*. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power and variable returns before control is present. IFRS 10 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 10 on its financial statements.

IFRS 11: *Joint Arrangements* was issued in May 2011 to replace IAS 31: *Interests in Joint Ventures*. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties involved to reflect the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 11 on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

New standards not yet adopted (continued)

IFRS 12: *Disclosure of Interests in Other Entities* was issued in May 2011 to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e., special purpose entities). IFRS 12 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 12 on its financial statements.

IFRS 13: *Fair Value Measurement* was issued in May 2011 as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 13 on its financial statements.

IAS 28: *Investments in Associates and Joint Ventures* (as amended in 2011) prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 must be applied starting January 1, 2013 with early adoption permitted. If the Company applies this standard earlier, it must disclose that fact and apply IFRS 10, IFRS 11 and IFRS 12 at the same time. The Company is currently assessing the impact of adopting IAS 28 on its financial statements.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, accounts receivable and trade and other accounts payable.

a) Fair value

The carrying values of accounts receivable and trade and other accounts payable approximate their fair values due to the short-term maturity of those financial instruments.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

b) Credit risk

The Company manages credit risk by placing its cash with major Canadian financial institutions with strong investment-grade ratings.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	December 31, 2012	March 31, 2012
Cash and cash equivalents	$ 101,215	$ 124,146
Accounts receivable	51,731	9,126
	$ 152,946	$ 133,272

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. At December 31, 2012, the Company had cash and cash equivalents in the amount of $101,215 (March 31, 2012 - $124,146), trade and other accounts payable of $298,969 (March 31, 2012 - $114,600). All of the liabilities presented as trade and other accounts payable are due within 90 days of December 31, 2012.

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company is not exposed to significant interest rate risk.

ii. Foreign currency risk

The Company is not exposed to foreign currency risk as it does not have any financial instruments denominated in foreign currencies.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company has no financial instruments exposed to other price risk.

4. EQUIPMENT

	Equipment	Computer Equipment	Computer Software	Total
Cost				
Balance: March 31, 2011	$ 30,291	$ 6,863	$ 22,739	$ 59,893
Additions	-	-	-	-
Balance: March 31, 2012 and December 31, 2012	$ 30,291	$ 6,863	$ 22,739	$ 59,893
Accumulated amortization				
Balance: March 31, 2011	$ 6,514	$ 6,863	$ 22,739	$ 36,116
Amortization for the year	4,755	-	-	4,755
Balance: **March 31, 2012**	11,269	6,863	22,739	40,871
Amortization for the period	3,082	-	-	3,082
Balance: **December 31, 2012**	$ 14,351	$ 6,863	$ 22,739	$ 43,953
Carrying amounts				
At March 31, 2011	$ 23,777	$ -	$ -	$ 23,777
At March 31, 2012	$ 19,022	$ -	$ -	$ 19,022
At December 31, 2012	$ 15,940	$ -	$ -	$ 15,940

5. EXPLORATION AND EVALUATION ASSETS

The Company incurred the following mineral property acquisition costs as at December 31, 2012:

	Tam, BC	TAC, YK	Selwyn Creek, YK	Total
Balance: March 31, 2011	**$ 88,000**	**$ -**	**$ 481,421**	**$ 569,421**
Acquisition and staking costs				
Cash	-	10,000	10,690	20,690
Shares	-	42,000	-	42,000
	-	52,000	10,690	62,690
Write-off of acquisition costs	-	-	-	-
Balance: March 31, 2012	**88,000**	**52,000**	**492,111**	**632,111**
Acquisition and staking costs				
Cash	-	5,000	-	5,000
Shares	-	4,000	104,000	108,000
	-	9,000	104,000	113,000
Write-off of acquisition costs	-	(61,000)	-	(61,000)
Balance: December 31, 2012	**$ 88,000**	**$ -**	**$ 596,111**	**$ 684,111**

a) Tam Property, British Columbia

On January 11, 2008, the Company entered into an option agreement to acquire a 100% interest in mineral claims located in the Lac La Hache area of British Columbia.

On September 28, 2011, October 14, 2011 and June 30, 2012, the Company renegotiated the overall agreement with the optionor, Paul Reynolds, who became an officer and director of the Company following the initial option agreement, to modify all remaining commitments as follows:

i. Payment of $250,000 over a five-year period as follows:

   a. $10,000 within 30 days of the signing of the agreement (paid);
   b. $15,000 on or before the date six months from signing of the agreement (paid);
   c. $30,000 by the first anniversary of the agreement (paid);
   d. $45,000 by June 30, 2013;
   e. $60,000 by December 31, 2013; and
   f. $90,000 by December 31, 2014.

5. EXPLORATION AND EVALUATION ASSETS (continued)

a) Tam Property, British Columbia (continued)

ii. Issuance of 1,000,000 common shares of the Company over a five-year period as follows:

a. 200,000 common shares within 30 days of the signing of the agreement (issued);
b. 200,000 common shares by the first anniversary of the signing of the agreement (issued);
c. 200,000 common shares by December 31, 2012;
d. 200,000 common shares by June 30, 2013; and
e. 200,000 common shares by December 31, 2013.

iii. Incur $1,500,000 of cumulative exploration expenditures over a five-year period as follows:

a. $100,000 by the first anniversary of the agreement (incurred);
b. an additional $200,000 by December 31, 2012 (incurred);
c. an additional $400,000 by December 31, 2013; and
d. an additional $800,000 by December 31, 2014.

b) TAC Property, Yukon

On March 15, 2011, as amended on December 9, 2011 and June 28, 2012, the Company entered into an option agreement to purchase a 100% interest in mineral claims located within the Mt. Skukum area near Whitehorse, Yukon. The terms are as follows:

i. Payment of $235,000 and 1,200,000 common shares over a five-year period as follows:

a. $10,000 (paid) and 200,000 shares (issued) upon TSX–V acceptance;
b. 200,000 common shares eight months following April 25, 2011 (issued);
c. $5,000 and 100,000 common shares on or before July 5, 2012 (paid and issued);
d. $35,000 and 150,000 common shares on or before April 25, 2013;
e. $50,000 and 150,000 common shares on or before April 25, 2014;
f. $60,000 and 200,000 common shares on or before April 25, 2015; and
g. $75,000 and 200,000 common shares on or before April 25, 2016.

5. EXPLORATION AND EVALUATION ASSETS (continued)

b) TAC Property, Yukon (continued)

ii. Incur $260,000 in exploration expenditures on the Property as follows:

a. $18,200 on or before July 31, 2011 (incurred);
b. $41,800 on or before August 31, 2012 (incurred)
c. $50,000 on or before August 31, 2013;
d. $50,000 on or before August 31, 2014;
e. $50,000 on or before August 31, 2015; and
f. $50,000 on or before August 31, 2016.

As of December 31, 2012, the Company determined to relinquish its option on the property and wrote-off $61,000 in acquisition costs.

c) Selwyn Creek Property, Yukon

On June 8, 2010, as amended on June 4, 2012, the Company entered into an option agreement to purchase a 100% interest in mineral claims located within the Dawson Range, White Gold District, Yukon. The terms of the agreement are as follows:

i. Payment of $150,000 over a two-year period as follows:

a. $115,000 upon TSX-V acceptance of the agreement (paid);
b. $35,000 on or before February 15, 2011 (paid); and

ii. Issuance of 4,000,000 common shares of the Company over a two-year period as follows:

a. 500,000 common shares upon TSX-V acceptance of the agreement (issued);
b. 1,000,000 common shares on or before February 15, 2011 (issued); and
c. 2,500,000 common shares on or before June 29, 2012 (issued).

iii. In connection with the acquisition, the Company has agreed to the following finder's fee:

a. 100,000 common shares upon TSX-V acceptance of the agreement (issued);
b. 100,000 common shares on or before February 15, 2011 (issued); and
c. 100,000 common shares on or before June 29, 2012 (issued).

5. EXPLORATION AND EVALUATION ASSETS (continued)

d) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current assets that may result in a material liability to the Company.

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

e) Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. Although the Company has taken steps to ensure title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such assets, these procedures may not guarantee the Company's title. Asset title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

f) Realization of assets

Realization of the Company's investment in exploration and evaluation properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal. The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from the sale of the mineral properties. The carrying value of the Company's exploration and evaluation properties may not reflect present or future values.

5. EXPLORATION AND EVALUATION ASSETS (continued)

g) Mineral properties exploration expenditures

Exploration expenditures incurred for the nine month periods ended December 31:

	Tam, BC	TAC, YK	Selwyn Creek, YK	Total
Assays	$ -	$ 274	$ -	$ 274
Consulting	64,304	15,499	10,000	89,803
Field and miscellaneous	32,966	21,196	840	55,002
Geological and geophysical	240,075	1,800	6,873	248,748
Balance: 2012	$ 337,345	$ 38,769	$ 17,713	$ 393,827
Assays	$ -	$ 2,969	$ 97,791	$ 100,760
Consulting	-	-	38,385	38,385
Field and miscellaneous	-	14,076	211,094	225,170
Geological and geophysical	-	2,025	32,583	34,608
Balance: 2011	$ -	$ 19,070	$ 379,853	$ 398,923

6. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable for the Company are broken down as follows:

	December 31, 2012	March 31, 2012
Trade payables	$ 202,850	$ 5,481
Accrued liabilities	15,000	28,000
Salaries payable	81,119	81,119
Total	$ 298,969	$ 114,600

7. CAPITAL STOCK

a) Authorized

i. Unlimited common voting shares without nominal or par value; and
ii. Unlimited preferred voting shares without nominal or par value.

b) Equity financings

i. On December 28, 2012 the Company completed a non-brokered private placement of 12,000,000 units at $0.025 per unit for gross proceeds of $300,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one additional share at a price of $0.05 during the first year following the closing date and $0.10 during the second year following the closing date. In connection with the financing, the Company paid $2,360 in share issue costs.

ii. On March 6, 2012, the Company completed a non-brokered private placement of 4,100,000 units at $0.05 per unit for gross proceeds of $205,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one additional share for a period of one year at a price of $0.10. In connection with the financing, the Company paid $7,602 in share issue costs.

iii. On June 1, 2011, the Company completed a non-brokered flow-through private placement of 3,750,000 units at a price of $0.20 per unit for gross proceeds of $750,000. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each warrant is exercisable to acquire one additional share for a period of one year at a price $0.40. In connection with the financing, the Company paid $52,500 finders' fees and issued 375,000 share purchase warrants, with a fair value of $8,340, to finders at an exercise price of $0.40 per share for a period of one year. The warrants were valued using the Black-Scholes option pricing model. In connection with the financing, the Company also paid $21,796 in share issue costs.

The flow-through units were determined to be issued at a premium of $150,000 over the fair value of the shares. This was first allocated to the warrant portion of the flow-through units with the remaining balance allocated to other liabilities. The fair value of the warrants was determined to be $32,778 using the Black-Scholes option pricing model. The remaining balance of $117,222 was allocated to flow-through share premium liability.

7. CAPITAL STOCK (continued)

c) Shares issued for mineral property option payment

i. On June 28, 2012, the Company issued 2,500,000 common shares pursuant to the option agreement on the Selwyn Creek Property and issued 100,000 common shares for finder's fees at a value of $0.04 per common share (note 5).

ii. On June 28, 2012, the Company issued 100,000 common shares pursuant to the option agreement on the TAC Property issued at a value of $0.04 per common share (note 5).

d) Share purchase warrants

The Company's share purchase warrants outstanding as at December 31, 2012 are provided below:

Exercise Price	Expiry Date	Balance March 31, 2012	Granted	Expired	Balance December 31, 2012
$0.40	June 1, 2012	2,250,000	-	2,250,000	-
$0.10	March 6, 2013	4,100,000	-	-	4,100,000
$0.05/$0.10	Dec 28, 2013/2014	-	12,000,000	-	12,000,000
		6,350,000	12,000,000	2,250,000	16,100,000
Weighted average exercise price		$ 0.21	$ 0.05	$ 0.40	$ 0.06
Weighted average contractual life remaining in years		0.6			0.8

e) Fair value determination

The fair value of share purchase warrants and finders' warrants issued were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 2012	December 2011	
	Warrants	Warrants	Finders' Warrants
Risk-free interest rate	Nil	1.55%	1.57%
Expected share price volatility	Nil	90%	93%
Expected life in years	Nil	1.00	1.00
Expected dividend yield	Nil	0.00%	0.00%

The expected volatility assumptions have been developed taking into consideration both historical and implied volatility of the Company's share price, where data is available, and comparable companies in similar development stages and property locations, where Company data is unavailable.

7. CAPITAL STOCK (continued)

f) Stock option plan, grants and share-based payments

The Company has adopted an incentive stock option plan (the "Plan") whereby it can grant non-transferable stock options ("Options") to purchase common shares to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and exercisable for a period of up to five years from the date of grant. The exercise price of options granted under the Plan will not be less than the market price of the common shares. Vesting periods are determined by the Board of Directors, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

There were no options granted during the nine month period ended December 31, 2012.

As at December 31, 2012, stock options outstanding are as follows:

	Options Outstanding			Options Exercisable	
Expiry Date	Number of Options	Weighted Average Contractual Life in Years	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
September 18, 2013	150,000	.72	$0.25	150,000	$0.25
November 23, 2014	550,000	1.90	$0.30	550,000	$0.30
December 8, 2014	125,000	1.94	$0.30	125,000	$0.30
August 19, 2015	400,000	2.63	$0.15	400,000	$0.15
February 7, 2016	200,000	3.10	$0.15	200,000	$0.15
	1,425,000	2.15	$0.23	1,425,000	$0.23

The fair value of stock options is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Options Granted	Risk-Free Interest Rate	Expected Life	Expected Volatility	Expected Forfeiture Rate	Expected Dividends
March 31, 2011	2.49%	5 years	150%	0.00%	0.00%
March 31, 2012	2.67%	5 years	168%	0.00%	0.00%

All options granted by the Company vest on the grant date, with the exception of options granted for investor relations services. These options vest over twelve months with no more than one-quarter of the options vesting in any three-month period. All options have been vested as at December 31, 2012 (2011 – 24,176).

7. CAPITAL STOCK (continued)

f) Stock option plan, grants and share-based payments (continued)

Share-based payments were charged against operations as follows:

	December 31, 2012	December 31, 2011
Investor relations	$ -	$ 22,018
Consulting	-	17,362
	$ -	$ 39,380

8. RELATED PARTY TRANSACTIONS AND BALANCES

These condensed interim financial statements include transactions with related parties in addition to those disclosed elsewhere as follows:

a) the Company paid administrative fees of $9,000 (2011 - $nil) to a company controlled by an officer and director of the Company.
b) the Company paid accounting fees of $7,000 (2011 - $nil) to a company controlled by an officer and director of the Company.
c) the Company paid geological fees of $81,000 (2011 - $nil) to a company controlled by an officer and director of the Company.

As at December 31, 2012, included in accounts payable is $97,000 (2011 - $nil) in fees owing to a company with common director and officer and $nil (2011 - $30,000) in salary owing to an officer and director.

9. CAPITAL DISCLOSURES

The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no source of revenue; as such, the Company is dependent upon external financings or the sale of assets (or an interest therein) to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2012. The Company is not subject to externally imposed capital requirements.

10. COMMITMENTS

a) Rental agreement

The Company is committed to monthly lease payments of $5,881 for its premises. The rental payments schedule is as follows:

2013	$	17,643
2014		11,762
	$	29,405

b) Flow-through expenditures

As at December 31, 2012, the Company completed its commitments to incur qualifying Canadian exploration expenditures with respect to the private placements of flow-through shares completed on June 1, 2011.

As at March 31, 2012, a flow-through share premium liability in the amount of $117,222 represented the difference between the subscription price of $0.20 per unit, and the market price at the date of closing of $0.16 per share, and the $32,778 attributed to the warrants included in the unit offering. Of that amount, $64,939 has been recognized in income and $52,283 as a flow-through share premium liability. As at December 31 2012, $52,283 was recognized as income completing the flow-through share premium liability.