Northern Superior Resources Inc.

Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended March 31, 2013 and 2012

Notice to Reader:

These condensed interim financial statements of Northern Superior Resources Inc. have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Financial Position

As at	March 31 2013	December 31 2012
Assets		
Current assets		
Cash and cash equivalents	**$ 7,862,885**	$ 8,839,191
Prepaids and receivables *note 4*	**840,798**	570,332
	8,703,683	9,409,523
Non-current assets		
Receivables note 4	**38,471**	38,471
Equipment	**44,164**	57,634
Exploration and evaluation properties *note 5*	**27,951,423**	27,288,108
	28,034,058	27,384,213
	$ 36,737,741	$ 36,793,736
Liabilities		
Current		
Trade payables and accrued liabilities *note 6*	**$ 614,350**	$ 370,732
	614,350	370,732
Equity		
Share capital *note 7*	**62,664,407**	62,664,407
Stock options reserve *notes 7(c) and 7(d)*	**4,344,230**	4,218,596
Deficit	**(30,885,246)**	(30,459,999)
	36,123,391	36,423,004
	$ 36,737,741	$ 36,793,736

Nature of operations *note 1*
Commitments *note 12*
Contingencies *note 14*

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD ON MAY 6, 2013

“Alan C. Moon” — *“Arnold Klassen”*

Director — Director

See accompanying notes to condensed interim financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Loss and Comprehensive Loss

Three months ended March 31,		**2013**		2012
Expenses				
Consulting fees *note 7(d)*	**$**	**46,821**	$	64,968
Depreciation		**13,470**		1,492
Legal and accounting		**56,356**		12,211
Office expense *note 7(d)*		**226,982**		327,142
Shareholder information		**95,045**		155,696
Travel		**13,212**		21,880
Loss before the undernoted		**(451,886)**		(583,389)
Interest income		**26,639**		45,799
Flow-through share income *note 6*		**-**		388,367
Flow-through share interest expense		**-**		(2,060)
Net loss and comprehensive loss for the period	**$**	**(425,247)**	$	(151,283)
Basic loss per share	**$**	**(0.01)**	$	(0.01)
Diluted loss per share	**$**	**(0.01)**	$	(0.01)
Weighted-average number of shares outstanding				
Basic		**188,501,043**		185,650,856
Diluted		**188,501,043**		185,650,856

See accompanying notes to condensed interim financial statements

(Expressed in Canadian dollars)

Statements of Equity

	Share Capital		Reserves			
	Number of Shares	Amount	Stock options	Warrants	Deficit	Total Equity
Balance, December 31, 2011	**185,522,798**	**$ 62,099,111**	**$ 3,545,518**	**$ 1,608,678**	**$ (29,055,012)**	**$ 38,198,295**
Common shares issued on exercise of stock options *note 7(b)*	146,666	27,296	(10,896)	-	-	16,400
Share-based payments *note 7(d)*	-	-	185,130	-	-	185,130
Reclassification of fair value of expired warrants	-	-	-	(1,608,678)	1,608,678	-
Net loss for the period	-	-	-	-	(151,283)	(151,283)
Balance, March 31, 2012	**185,669,464**	**$ 62,126,407**	**$ 3,719,752**	**$ -**	**$ (27,597,617)**	**$ 38,248,542**
Common shares issued for exploration and evaluation property *note 7(b)*	200,000	38,000	-	-	-	38,000
Common shares issued for cash *note 7(b)*	2,631,579	500,000	-	-	-	500,000
Share-based payments	-	-	498,844	-	-	498,844
Net loss for the period	-	-	-	-	(2,862,382)	(2,862,382)
Balance, December 31, 2012	**188,501,043**	**$ 62,664,407**	**$ 4,218,596**	**$ -**	**$ (30,459,999)**	**$ 36,423,004**
Share-based payments *note 7(d)*	-	-	125,634	-	-	125,634
Net loss for the period	-	-	-	-	(425,247)	(425,247)
Balance, March 31, 2012	**188,501,043**	**$ 62,664,407**	**$ 4,344,230**	**$ -**	**$ (30,885,246)**	**$ 36,123,391**

See accompanying notes to condensed interim financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Cash Flows

Three months ended March 31,	**2013**	2012
Operating Activities		
Net loss for the period	**$ (425,247)**	$ (151,283)
Items not involving cash		
Flow-through share income *note 6*	**-**	(388,367)
Depreciation	**13,470**	1,492
Share-based payments *note 7(d)*	**71,187**	109,712
Change in non-cash operating working capital items:		
(Increase) decrease in prepaids and receivables	**(270,466)**	122,205
Increase in trade payables and accrued liabilities	**38,239**	46,762
Cash used in operating activities	**(572,817)**	(259,479)
Investing Activities		
Exploration and evaluation expenditures	**(403,489)**	(2,580,500)
Recovery of exploration and evaluation expenditures	**-**	207,638
Cash provided used in investing activities	**(403,489)**	(2,372,862)
Financing Activities		
Proceeds from exercise of stock options	**-**	16,400
Cash provided by financing activities	**-**	16,400
Decrease in cash during the period	**(976,306)**	(2,615,941)
Cash, beginning of year	**8,839,191**	17,094,074
Cash, end of period	**$ 7,862,885**	$ 14,478,133

Supplemental cash flow information *note 9*

See accompanying notes to condensed interim financial statements

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Northern Superior Resources Inc. ("Northern Superior" or the "Company") is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold properties in Ontario and Quebec. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and attaining future profitable production from the properties or proceeds from disposition.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. Management believes that financing is available and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

The head office, principal address and registered and records office of the Company is 1351C Kelly Lake Road, Unit 7, Sudbury, Ontario, Canada, P3E 5P5.

2. BASIS OF PREPARATION

a) Statement of Compliance

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

b) Approval of Financial Statements

The condensed interim financial statements of Northern Superior Resources Inc. for the three months ended March 31, 2013 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 6, 2013.

c) Adoption of New and Revised Standards and Interpretations

At the date of authorization of these interim financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9, *Financial Instruments: Classification and Measurement* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IAS 32, (*Amendment) Financial Instruments: Presentation* – effective for annual period beginning on or after January 1, 2014, clarifies the application of offsetting requirements.

The Company has not early adopted these standards, amendments and interpretations; however, the Company is currently assessing the impact of these standards or amendments on the financial statements of the Company.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended December 31, 2012.

The preparation of financial statements 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 revenues and expenses during the reporting period. Significant estimates where management's judgment is applied include asset valuation, asset retirement obligations, income taxes, contingent liabilities, share-based payments and ability to continue as a going concern. Actual results may differ from those estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and further periods if the review affects both current and future periods.

4. PREPAIDS AND RECEIVABLES

Prepaids and receivables consist of the following:

As at		**March 31, 2013**		December 31, 2012
Government refundable tax credits	**$**	**638,138**	$	259,098
Sales tax receivable - net		**106,867**		166,431
Prepaid expenses		**33,569**		54,412
Interest receivable		**12,309**		90,391
Other receivables		**49,915**		-
	$	**840,798**	$	570,332
Receivables (non-current):				
Quebec Government refundable tax credits		**38,471**		38,471
Total	**$**	**879,269**	$	608,803

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION PROPERTIES

For three months ended March 31, 2013

	Ti-pa-haa-kaa-ning(1)	Meston Lake	Rapson Bay	Croteau Est	Waconichi	Other(2)	Total
Balance, beginning of year	$ 14,875,949	$ 1,649,595	$ 3,299,608	$ 5,019,694	$ 236,884	$ 2,206,378	$ 27,288,108
Acquisition, assessment and maintenance	2,275	-	-	1,218	1,569	-	5,062
Analytical	-	-	-	34,401	800	-	35,201
Geophysics	-	-	-	630	585	-	1,215
Geology	73,867	-	-	104,224	9,101	197	187,389
Drilling	8,074	-	-	638,524	89,404	-	736,002
Research	20,240	-	-	1,845	-	-	22,085
Project administration	13,045	-	-	42,226	129	-	55,400
Tax credit adjustments	-	-	-	(336,002)	(42,952)	(85)	(379,039)
Balance, end of period	$ 14,993,450	$ 1,649,595	$ 3,299,608	$ 5,506,761	$ 295,520	$ 2,206,490	$ 27,951,423

(1) The Ti-pa-haa-kaa-ning project costs in this table are comprised of what was called the Ti-pa-haa-kaa-nin and New Growth properties in the previous year.
(2) Consists of Lac Surprise ($1,147,696) and Thorne Lake ($1,058,794) as at March 31, 2013.

(Expressed in Canadian dollars)

For year ended December 31, 2012

	Ti-pa-haa-kaa-ning	New Growth	Meston Lake	Rapson Bay	Croteau Est	Waconichi	Wachigabau	Other[1]	Total
Balance, beginning of year	$ 11,500,660	$ 1,058,270	$ 1,623,338	$ 3,190,097	$ 977,188	$ -	$ 998,389	$ 3,067,681	$ 22,415,623
Acquisition, assessment and maintenance	2,298	1,097	385	487	36,150	68,263	10,110	64,514	183,304
Analytical	-	97,763	522	11,549	588,075	25,815	108	12,254	736,086
Geophysics	-	566,724	24	-	276,764	-	-	(4,330)	839,182
Geology	5,950	54,306	15,717	36,804	1,124,495	152,875	2,737	38,808	1,431,692
Drilling	-	1,467,041	-	20,400	2,020,044	-	10,556	25,445	3,543,486
Research	11,158	28,216	198	21,771	14,505	-	-	3,286	79,134
Project administration	38,204	44,262	9,411	18,500	258,051	6,173	12,943	29,314	416,858
Cost recoveries[2]	-	-	-	-	-	-	7,671	(49,533)	(41,862)
Write-off of exploration and evaluation properties							(1,039,722)	(978,104)	(2,017,826)
Tax credit adjustments	-	-	-	-	(275,578)	(16,242)	(2,792)	(2,957)	(297,569)
Balance, end of year	$ 11,558,270	$ 3,317,679	$ 1,649,595	$ 3,299,608	$ 5,019,694	$ 236,884	$ -	$ 2,206,378	$ 27,288,108

(1) Consists of Lac Surprise ($1,147,584) and Thorne Lake ($1,058,794) as at December 31, 2012.

(2) The Company recorded cost recoveries of $49,533 from Paget Minerals Corp.and a net adjustment amount of $7,671 due to Matamech Explorations at December 31, 2012.

Ti-pa-haa-kaa-ning ("TPK") property

The Company owns a 100% interest in the TPK project, which now includes what was formerly called the "New Growth" property in previous financial statements.

The Company had an option/joint venture agreement with Rainy River Resources Ltd. ("Rainy River") which was terminated on December 14, 2012, when Rainy River formally relinquished its option on the TPK project.

The Company incurred expenditures of $117,501 on the compbined property during the three months ended March 31, 2013.

In 2012, Rainy River completed a private placement of $500,000 in the Company, at a price of $0.19 per share (note 7(b)).

Meston Lake property

The Meston Lake property is 100% owned by the Company, and consists of 84 claims covering 19,688 hectares in northwestern Ontario. The Company did not incur any expenditures on the property during the three months ended March 31, 2013.

Rapson Bay property

The Rapson Bay property is 100% owned by the Company, and consists of 111 claims covering 26,135 hectares in northwestern Ontario. The Company did not incur expenditures on the property during the three months ended March 31, 2013.

Croteau Est property

On August 24, 2011, the Company entered into an option agreement with the owners (the "Optionors") of the Croteau Est gold property in Quebec who granted the Company an option to acquire 100% of the property. To exercise the option the Company is required to spend $1.7 million on exploration on the property over four years from the date of the agreement: $200,000 in year 1, $300,000 in year 2, $400,000 in year 3 and $800,000 in year 4, all of which has already been incurred. The Company must also make cash payments to the Optionors totaling $350,000: $35,000 upon signing the letter of intent (paid), $35,000 by the end of year 1 (paid), $40,000 by the end of year 2, $80,000 by the end of year 3 and $160,000 by the end of year 4. In addition, the Company must issue to the Optionors, $280,000 worth of common shares of the Company: $40,000 at the end of year 2, $80,000 by the end of year 3 and $160,000 by the end of year 4. The number of common shares issuable shall be based on the market price of the Company's shares at the time of issuance. Upon exercise of the option, the Optionors shall retain a 1.0% NSR on any commercial production with the Company having the right to buyback 0.5% of the NSR for $1.5 million, at any time.

The Company incurred net expenditures of $487,066 on the property during the three months ended March 31, 2013.

Waconichi property

On June 5, 2012, the Company entered into an option agreement with Murgor Resources Inc. to acquire a 70% interest in 316 claims comprising the 17,226 hectare Waconichi property in the Province of Quebec. The agreement was completed on July 10, 2012. Under the terms of the agreement, the Company must make cash payments of $30,000 at closing (paid), $30,000 at the end of the first year, $30,000 at the end of the second year, and $50,000 at the end of the third year, and issue 200,000 shares at closing (issued – see note 7(b)), 200,000 shares at the end of the first year, 300,000 shares at the end of the second year and 300,000 shares at the end of the third year. The Company must also spend a total of $1,250,000 of exploration expenditures over three years (Year One: $300,000; Year Two:

(Expressed in Canadian dollars)

$350,000; Year Three: $600,000) to keep the agreement in good standing. The Company will be deemed to have earned a 70% undivided interest in the Waconichi property, upon payment of the above funds and share and completion of the required exploration expenditures.

The Waconichi property is contiguous to the northern boundary of the Company's Croteau Est property.

The Company incurred net expenditures of $58,636 on the property during the three months ended March 31, 2013, for a total of $295,520 spent on the property as at March 31, 2013.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

As at		**March 31, 2013**		December 31, 2012
Trade payables	**$**	**361,224**	$	149,904
Amounts due to joint venture partners		**10,196**	$	10,196
Amounts due to related parties		**14,278**		46,311
Accrued liabilities		**228,652**		164,321
	$	**614,350**	$	370,732

In 2011 the Company completed a $8,637,820 brokered flow-through private placement. The issuance of flow-through shares resulted in a flow-through share liability of $3,185,897 at the date of issue, of which $388,367 was recorded as income in the three months ended March 31, 2012.

7. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Issued Capital

During the three months ended March 31, 2013 and the year ended December 31, 2012, changes in issued share capital were as follows:

On July 10, 2012, the Company issued 200,000 shares of the Company at a deemed aggregate share cost of $38,000 in connection with an option agreement to acquire a 70% interest in the Waconichi property in Quebec (note 5).

On July 10, 2012, Rainy River completed its third and final private placement of $500,000 with the Company which was required for Rainy River to maintain its option to earn a 51% interest in the Company's TPK property, north-western, Ontario. The private placement consisted of 2,631,579 shares of the Company issued at a price of $0.19 per share (note 5).

In January 2012, the Company issued 146,666 shares in connection with the exercise of 146,666 stock options, for proceeds of $16,400.

c) Stock Options

As at March 31, 2013, the Company had 11,311,234 stock options outstanding of which 4,939,546 were exercisable under the Company's stock option plan. The terms of all options cannot exceed ten years and the minimum exercise price cannot be less than the closing price of the Company's common shares on the TSX Venture Exchange on the last trading day preceding the grant of the option. All of the outstanding options of the Company were issued with an expiry date of 5 years from the date of issue. The Board of Directors determines the vesting terms of the options, with a typical vesting schedule of 1/3 of the options under the grant vesting on each anniversary over a three year period after the date of grant.

(Expressed in Canadian dollars)

A summary of the changes in the Company's stock option plan for the three months ended March 31, 2013 and the year ended December 31, 2012 is as follows:

	Three months ended March 31, 2013		Year ended December 31, 2012	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
Outstanding, beginning of year	**11,411,234**	**$0.25**	9,824,568	$0.33
Granted	**-**	**$0.00**	3,375,000	$0.11
Expired	**(100,000)**	**$0.24**	(1,315,000)	$0.47
Exercised	**-**	**$0.00**	(146,666)	$0.11
Forfeited	**-**	**$0.00**	(326,668)	$0.43
Outstanding, end of period	**11,311,234**	**$0.25**	11,411,234	$0.25
Exercisable, end of perioid	**4,939,546**	**$0.28**	4,906,231	$0.28

There were no options granted during the three month period ended March 31, 2013. The weighted average grant-date fair value for options granted during the year ended December 31, 2012 was $0.09, which was determined using the Black-Scholes Option Pricing Model and the following assumptions: no dividends to be paid; volatility of 150.1%; risk-free interest rate1.3%; and expected life of 5 years.

The following table summarizes information regarding stock options outstanding and exercisable at March 31, 2013:

Exercise Price Range	Number of Options Outstanding	Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number of Options Exercisable	Remaining Vested Contractual Life (in years)	Weighted Average Vested Excercise Price
$0.01 - $0.19	5,466,234	3.38	$0.11	2,274,567	1.54	$0.12
$0.20 - $0.39	3,545,000	3.59	$0.25	1,164,987	3.58	$0.25
$0.40 - $0.59	2,200,000	2.61	$0.55	1,466,660	2.61	$0.55
$0.60 - $0.79	100,000	3.09	$0.65	33,332	3	1
	11,311,234	3.45	$0.25	4,939,546	2.15	$0.28

d) Share-Based Payments

Share-based payments recognized in the period are capitalized to exploration and evaluation properties or expensed as consulting fees and office expense.

The following table summarizes the share-based payment expense for stock option grants that the Company recorded for the three months ended March 31, 2013 and 2012:

Three months ended March 31,		**2013**		2012
Consulting fees	**$**	**21,321**	$	46,968
Office expense		**49,866**		62,744
		71,187		109,712
Exploration and evaluation properties		**54,447**		75,418
Total share-based payments	**$**	**125,635**	$	185,130

(Expressed in Canadian dollars)

Share-based payments of $54,447 (2012 - $75,418) related to exploration and evaluation properties are capitalized to exploration and evaluation properties and share-based payments of $71,187 (2012 - $109,712) related to consulting fees and office expense were expensed for the year ended December 31, 2012.

e) Basic and Diluted Loss per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Potentially dilutive items not included in the calculation of diluted loss per share for the three months ended March 31, 2013 were 11,311,234 (2012 - 9,116,234) stock options that were anti-dilutive.

8. RELATED PARTY TRANSACTIONS

Three months ended March 31,		**2013**		2012
Management and other fees	**$**	**87,824**	$	22,000
Salaries and wages		**158,006**		192,827
Share-based payments		**46,050**		120,969
	$	**291,880**	$	335,796

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties. For the purposes of disclosure, related parties are defined as the officers and directors of the Company.

9. SUPPLEMENTAL CASH FLOW INFORMATION

For the three months ended		**2013**		2012
Non-cash investing and financing activities				
Transfer of amounts from reserves	**$**	**-**	$	10,896
Common shares issued pursuant to property agreements		**-**		38,000
Changes in working capital related to exploration properties		**205,379**		(449,780)
Interest received		**26,639**		147,910
Interest paid		**-**		-
Taxes paid		**-**		-

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial Instruments

The carrying value of financial assets and liabilities at March 31, 2013 and December 31, 2012 are as follows:

As at		**March 31, 2013**		December 31, 2012
Financial Assets				
Fair value through profit or loss, measured at fair value				
Cash and cash equivalents	**$**	**7,862,885**	$	8,839,191
Loans and receivables, measured at amortized cost				
Receivables		**62,224**		90,391
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables and due to related parties	**$**	**385,698**	$	206,411

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at		**March 31, 2013**		December 31, 2012
		Level 1		Level 1
Cash and cash equivalents	**$**	**7,862,885**	$	8,839,191

b) Management of Financial Risks

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

i. Credit Risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. The Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

ii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2013, the Company had cash and cash equivalents of 7,862,885 (December 31, 2012 - $8,839,191) to settle trade payables and accrued liabilities totaling $614,350 (December 31, 2012 - $370,732). All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

(Expressed in Canadian dollars)

iii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. A 1% change in short term rates would change the interest income and net loss of the Company, assuming that all other variables remained constant, by approximately $19,657 for the three months ended March 31, 2013.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency or commodity risk arising from financial instruments.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, equity reserves and cash and cash equivalents.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 three months ended March 31, 2013. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

12. COMMITMENTS

	Less than 1 year	1 - 5 years	5 or more years	Total
Operating lease - office lease	$ 32,794	$ 160,325	$ -	**$ 193,119**

The Company has future commitments under exploration and evaluation property option agreements to issue shares and incur exploration expenditures (Note 5).

13. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment being the mining business in Canada. All resource properties and equipment are situated in Canada.

14. CONTINGENCIES

The Company has temporarily suspended exploration activities on its Meston Lake, Rapson Bay and Thorne Lake mineral properties pending clarification and re-ratification of exploration agreements with certain First Nations groups. The Company is in the process of considering its options.

15. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no reportable events during the period from the three months ended March 31, 2013 to the date the condensed interim financial statements were approved and authorized for issue by the Board of Directors on May 6, 2013.