OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2012

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the period ended June 30, 2012.

NOTICE TO READER OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Management of Omineca Mining and Metals Ltd. is responsible for the preparation of the accompanying condensed interim financial statements as at June 30, 2012.

These condensed interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, MacKay LLP.

The condensed interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards ("IFRS").

"Timothy J Termuende"	*"Glen J Diduck"*
Timothy J. Termuende, P. Geo President and Chief Executive Officer	Glen J. Diduck, CA Chief Financial Officer

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Jun 30 2012 (unaudited)	Dec 31 2011 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 2,214,508**	$ 2,872,345
Accounts receivable	**45,795**	14,886
Current investments (Note 5)	**69,804**	98,125
	2,330,107	2,985,356
Long term investments (Note 5)	**82,837**	12,625
Exploration and evaluation assets (Note 6)	**818,086**	471,495
	$ 3,231,030	$ 3,469,476
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 18,298**	$ 46,018
Other liabilities (Note 7)	**2,151**	63,213
	20,449	109,231
Shareholder's equity		
Share capital (Note 7)	**5,756,554**	5,766,550
Contributed surplus	**373,763**	371,823
Accumulated other comprehensive loss (Note 5)	**(158,138)**	(19,626)
Deficit	**(2,761,598)**	(2,758,502)
	3,210,581	3,360,245
	$ 3,231,030	$ 3,469,476

Nature and continuance of operations (Note 2)
Commitments and contingencies (Note 10)
Subsequent events (Note 14)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Glen J Diduck" Director
Mr. Glen J. Diduck (Signed)

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Three Months Ended Jun 30		Six Months Ended Jun 30	
	2012	2011	**2012**	2011
Expenses				
Administration costs	**$ 40,692**	$ 68,820	**$ 72,918**	$ 103,206
Professional fees (Note 10)	**20,868**	14,157	**37,489**	14,157
Public company costs	**9,222**	4,450	**16,390**	13,386
Share-based payments (Note 8)	**-**	373,763	**1,940**	373,763
Trade shows, travel and promotion	**14,438**	9,399	**27,002**	29,939
Loss before other items	**(85,220)**	(470,589)	**(155,739)**	(534,451)
Other items				
Other income	**61,062**	-	**61,062**	-
Investment income	**9,241**	37	**17,276**	37
Loss on sale of investments	**-**	(343,430)	**17,276**	(343,430)
Option proceeds in excess of carrying value	**-**	-	**74,304**	-
Loss for the period	**(14,917)**	(813,982)	**(3,097)**	(877,844)
Other comprehensive loss				
Unrealized gain (loss) on investments	**(67,446)**	16,101	**(138,512)**	16,101
Reclassification on disposition of investments	**-**	(137,499)	**-**	(137,499)
Comprehensive loss for the period	**$ (82,363)**	$ (935,380)	**$ (141,609)**	$ (999,242)
Earnings per share – basic and diluted (Note 9)	**$ 0.00**	$ (0.05)	**$ 0.00**	$ (0.05)
Weighted average number of shares – basic and diluted (Note 9)	**18,024,838**	15,917,744	**18,024,838**	15,917,744

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Three Months Ended Jun 30		Six Months Ended Jun 30	
	2012	2011	**2012**	2011
Cash flows from operating activities				
Income (loss) for the period	**$ (14,917)**	$ (813,982)	**$ (3,096)**	$ (877,844)
Adjustment for:				
Option proceeds in excess of carrying value	**-**	-	**(74,304)**	-
Loss on sale of investments	-	343,430	-	343,430
Premium on flow-through shares	**(61,062)**	-	**(61,062)**	-
Share-based payment	-	373,763	**1,940**	373,763
	(75,979)	(96,789)	**(136,522)**	(48,233)
Changes in non-cash working capital items				
(Increase) decrease in accounts receivable	**(23,156)**	(4,677)	**(30,910)**	(4,677)
Increase (decrease) in accounts payable	**(69,917)**	58,944	**(27,720)**	58,944
	(169,052)	(42,522)	**(195,152)**	6,034
Cash flows from financing activity				
Funding provided by Copper Canyon	-	48,556	-	112,418
Share issue costs	**-**	-	**(9,996)**	-
Proceeds from plan of arrangement	**-**	2,500,000	-	2,500,000
	-	2,548,556	**(9,996)**	2,612,418
Cash flows from investing activities				
Proceeds from sale of investments	**-**	501,568	**-**	501,568
Purchase of investments	**(150)**	-	**(54,103)**	-
Exploration of mineral exploration properties	**(286,859)**	(24,496)	**(398,586)**	(24,496)
	(287,009)	477,072	**(452,689)**	477,072
Increase (decrease) in cash and cash equivalents	**(456,061)**	2,983,106	**(657,837)**	2,983,106
Cash and cash equivalents, beginning of period	**2,670,569**	1	**2,872,345**	1
Cash and cash equivalents, end of period	**$ 2,214,508**	$ 2,983,107	**$ 2,214,508**	$ 2,983,107
Cash and cash equivalents comprise:				
Bank deposits	**$ 40,282**	$ 133,107	**$ 40,282**	$ 133,107
Term deposits	**2,174,226**	2,850,000	**2,174,226**	2,850,000
	$ 2,214,508	$ 2,983,107	**$ 2,214,508**	$ 2,983,107

The Company made no cash payments for income taxes or interest.

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited – prepared by management)
Expressed in Canadian dollars

	Share Capital				Accumulated Other Comprehensive		
	Shares	Amount	Contributed Surplus	Income	Deficit	Total
Balance, January 1, 2012	18,024,838	$ 5,766,550	$ 371,823	$ (19,626)	$ (2,758,502)	$ 3,360,245
Share issue costs		(9,996)				(9,996)
Share-based payments			1,940			1,940
Income for the period					11,821	11,821
Comprehensive loss for the period				(71,066)		(71,066)
Balance, March 31, 2012	18,024,838	5,756,554	373,763	(90,692)	(2,746,681)	3,292,944
Comprehensive loss for the period				(67,446)		(67,446)
Loss for the period					(14,917)	(14,917)
Balance, June 30, 2012	**18,024,838**	**$ 5,756,554**	**$ 373,763**	**$ (158,138)**	**$ (2,761,598)**	**$ 3,210,851**
Balance, January 1, 2011 (Continuity of interest)	-	-	$ 4,436,112	$ (92,775)	$ (3,317,295)	$ 1,026,042
On incorporation, March 15, 2011	-	1	-	-	-	1
Balance, March 31, 2011	-	1	4,436,112	(92,775)	(3,317,295)	1,026,043
Continuity of interest (Plan of Arrangement)		2,155,037	(4,436,112)		1,162,257	(1,118,818)
Shares issued under Plan of Arrangement	15,917,744	3,301,119				3,301,119
Loss for the period					(813,982)	(813,982)
Comprehensive income for the period				16,101		16,101
Balance, June 30, 2011	15,917,744	$ 5,456,157	$ -	$ (76,674)	$ (2,969,020)	$ 2,410,463

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

1. Plan of Arrangement and Transfer of Assets

On May 20, 2011, NovaGold Resources Inc acquired all of the outstanding common shares of Copper Canyon Resources Ltd. ("Copper Canyon" or "CPY") by way of a Plan of Arrangement (the "Arrangement") under the Business Corporations Act (Alberta).

Under the Arrangement, Copper Canyon shareholders received 0.0735 common shares of NovaGold for each common share of Copper Canyon, plus one common share of a newly incorporated company, being Omineca Mining and Metals Ltd. (the "Company" or "Omineca" or "OMM"), for every four shares of Copper Canyon. In connection with the completion of the Arrangement, the common shares of Omineca were listed on the TSX Venture Exchange.

As part of the Plan of Arrangement, Copper Canyon transferred to Omineca $2,500,000 cash and its interests in the Harrison Lake (Abo) Gold Property, the Severance Project and the Kiwi Project (the "Spin-out Properties) as well as all share positions in other companies (collectively, the "Omineca Business") held by Copper Canyon.

The Company's financial statements reflect the financial position, statements of comprehensive loss, cash flows and equity of the Omineca Business as if Omineca existed in its present form during the years reported. The statements of comprehensive loss for the year ended December 31, 2010 and the period to May 20, 2011 which is included in the results to December 31, 2011, include an allocation of CPY's general and administrative expenses incurred in each of these years. The allocation of general and administrative expenses was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each period presented as compared to the costs incurred on all mineral properties of CPY in each of these years.

The financial statements have been presented under the continuity of interest basis of accounting with statement of financial position amounts based on the amounts recorded by CPY. Management cautions readers of these financial statements that the allocation of expenses does not necessarily reflect future general and administrative expenses.

The opening deficit of the Company at January 1, 2010 was calculated by applying the same allocation principles outlined above to the cumulative transactions relating to the Spin-out Properties from the date of acquisition of those mineral properties to December 31, 2009 and includes an allocation of CPY's general and administrative expenses from the date of acquisition of those mineral properties to December 31, 2009. The allocation of general and administrative expense was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each prior year as compared to the costs incurred on all mineral properties of CPY in each of those prior years

2. Nature and continuance of operations

The Company was incorporated on August 31, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia.

The Company holds properties in British Columbia and the Yukon for the purpose of exploring for, and the development of mineral resources. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company.

The Company's corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

The Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

3. Basis of preparation

(a) Statement of Compliance

The condensed interim financial statements of the Company for the three month period ending June 30, 2012 are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. They do not include all of the information required by IFRS for full annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011.

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of, and disclosed in, the Company's annual financial statements for the year ended December 31, 2011. These policies applied in these condensed interim financial statements are based on IFRS issued and current as of August 24, 2012, the date the Audit Committee approved the statements on behalf of the Board of Directors.

(b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as FVTPL and available-for-sale which are stated at their fair value.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and 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. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and 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 the revision and further periods if the review affects both current and future periods.

Significant accounting estimates

a. The inputs used in accounting for share- based payments in profit or loss;
b. The assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable;
c. The tax basis of assets and liabilities and related deferred income tax assets and liabilities; and
d. Amounts of provisions, if any, for environmental rehabilitation and restoration.

Significant accounting judgments

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
b. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements.

The condensed interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments with maturities of three months or less from the date of purchase that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b) Financial instruments

Financial instruments recognized in the balance sheet include cash and cash equivalents, trade and other receivables, investments and trade and other payables.

Financial assets

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit and loss.

The Company has classified cash and cash equivalents as FVTPL.

Available-for-sale financial assets ("AFS")

Investments in marketable securities are classified as AFS financial assets. Investments are initially recognized at fair value and are subsequently carried at fair value with changes recognized in other comprehensive income or loss. Fair value is based on closing market prices for publicly traded shares without recognizing the possible effects of price fluctuations, quantities traded and similar items.

Shares held in escrow have been valued at fair value, discounted by the put option for the length of the escrow period; which is calculated using the Black-Scholes option-pricing model. The cost of securities sold is based on the specific identification method. Realized gains and losses, including any other-than temporary decline in value, on these equity securities are removed from AOCI and recorded in income or loss.

The Company has classified investments as AFS.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less impairment losses.

The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified.

The Company has classified accounts receivable as loans and receivables.

Transactions costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or

4. Significant Accounting Policies - continued

- It has become probable that the borrower will enter bankruptcy or financial reorganization.

Where impairment has occurred, the cumulative loss is recognized in the income statement.

Financial liabilities

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income/loss. The Company has not classified any financial liabilities as FVTPL.

The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

c) Exploration and evaluation expenditures

Pre -exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into option arrangements, whereby the Company may transfer part of a mineral interest, as consideration, for an agreement by the optionee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any

4. Significant Accounting Policies - continued

incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

c) Mineral tax credit

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments if any, resulting from such a review are recorded in the period that the tax filings are amended.

d) Option Agreements

Certain of the Company's exploration and development activities are conducted jointly with others through option agreements. These financial statements reflect only the Company's proportionate interest in such activities.

e) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the income statement for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit and loss.

f) Rehabilitation obligations

The Company recognizes the fair value of a legal and constructive liability for a rehabilitation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operation. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have material rehabilitation obligations.

g) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

4. Significant Accounting Policies - continued

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

h) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to contributed surplus.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's year is disclosed separately as flow-through share proceeds in Note 10.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

m) Per share amounts

Basic income per common share is computed by dividing the net income for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to re-purchase common shares of the Company at the average market price during the year.

4. Significant Accounting Policies - continued

n) Share-based payments

The fair value of options to purchase commons shares is calculated at the date of the grant using the Black-Scholes option-pricing model.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

o) New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the June 30, 2012 reporting period.

The following is a brief summary of the new standards adopted in the period:

IFRS 7 – 'Financial Instruments Disclosures' – Disclosures on Transfers of Financial Assets
These amendments are applicable to annual reporting periods beginning on or after July 1, 2011. These amendments add and amend disclosure requirements about transfers of financial assets, including the nature of the financial assets involved and the risks associated with them. The adoption of this standard has no impact on the financial statements.

IAS 12 – 'Income Taxes' – Amendments Regarding Deferred Tax: Recovery of Underlying Assets
These amendments are applicable to annual reporting periods beginning on or after January 1, 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence

4. Significant Accounting Policies - continued

that economic benefits of the underlying asset will be consumed during its economic life. The adoption of this standard has no impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2012 reporting period. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 (or as noted) with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9 – Financial Instruments
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

IFRS 10 – Consolidation
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 - Fair Value Measurement
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 24 – Related Party Disclosures
The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

5. Investments

The Company holds securities that have been designated as available-for-sale as follows:

	June 30, 2012		December 31, 2011	
	Market Value	**Cost**	Market Value	Cost
Current:				
Common shares in public companies	**$ 69,804**	**$ 263,325**	$ 98,125	$ 125,376
Long-term				
Common shares of public companies held in escrow	**$ 23,734**	**$ 67,802**	$ 7,625	$ -
Guaranteed investment certificates	**59,103**	**59,103**	5,000	5,000
	$ 82,837	**$ 126,905**	$ 12,625	$ 5,000

For securities traded in an active market, market value is based on the quoted closing prices of the securities at June 30, 2012. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded. Guaranteed investment certificates are held for terms greater than 90 days.

The Company holds public traded securities held in escrow to be released to the Company over a period from May 16, 2012 to February 15, 2015. Securities held in escrow have been recorded at fair value, discounted by the put option for the length of the escrow period; which is calculated using the Black-Scholes option-pricing model.

Accumulated other comprehensive loss of $158,138 (2011 – nil) is the result of the change in fair value up to June 30, 2012.

6. Exploration and Evaluation Assets

The Company has classified its exploration properties into two geographical locations, namely British Columbia and Yukon. The following is a summary of items relating to the properties:

	March 31 2012	Acquisition & Exploration Costs	Option and Other Payments	Option Proceeds in Excess of Carrying Value	**June 30 2012**
British Columbia					
Abo	$ 1	$ 291	$ -	$ -	**$ 292**
Sully	76,597	285,419	-	-	**362,016**
Yukon					
Kiwi	454,627	1,150	-	-	**455,777**
Severance	1	-	-	-	**1**
	$ 531,226	$ 286,860	$ -	$ -	**$ 818,086**

6. Exploration and Evaluation Assets - continued

	March 31 2011	Per Plan of Arrangement	Acquisition & Exploration Costs	Option Proceeds in Excess of Carrying Value	June 30 2011
British Columbia					
Abo	$ -	$ 35,524	$ 2,445	$ -	$ 37,969
Yukon					
Kiwi	-	140,098	49,802	-	189,700
Severance	-	1	-	-	1
	$ -	$ 175,623	$ 52,047	$ -	$ 227,670

BC Projects

Abo Project

The property, situated 5 kilometers north of Harrison Hot Springs, B.C., consists of 11 contiguous Modified Grid mineral claims totaling 2474 units. The Hot 4 claim is subject to a 2% NSR.

On November 17, 201, the Company completed an option agreement whereby Sierra Madre Developments Inc. ("Sierra") can earn a 100% interest in the property by making exploration expenditures of $3,000,000 and completing payments of 4,000,000 shares and $1,000,000 cash over the five year period commencing on the date of Exchange Approval. The Property is subject to a 2% Net Smelter Return Royalty payable to the Company. Sierra Madre has the right to purchase 1% of the Royalty at any time for the sum of $1,000,000 in cash. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	-	$ -	On execution date (received)
25,000	200,000	-	December 5, 2011 (received)
50,000	300,000	100,000	December 5, 2012
100,000	500,000	150,000	December 5, 2013
100,000	500,000	250,000	December 5, 2014
200,000	1,000,000	1,000,000	December 5, 2015
500,000	1,500,000	1,500,000	December 5, 2016
$1,000,000	4,000,000	$ 3,000,000	

Sully Project

On March 21, 2012 Omineca entered into a formal agreement (subject to regulatory approval) to acquire all issued and outstanding shares of Gravitas Metals Corp., a private British Columbia Corporation. The primary asset held by Gravitas is the option to earn an 80% interest in the Sully group of claims, located near Fort Steele in southeastern British Columbia.

Terms of the agreement require Omineca to complete either a 1500m drilling program or make $400,000 in exploration expenditures by June 30, 2012, issue to Gravitas 10 million voting-class common shares prior to March 21, 2013 and assume the underlying option agreement on the Sully Property.

In order for Gravitas to earn its 80% interest in the Sully Property, Gravitas must incur a total of $3,000,000 in exploration expenditures and issue $1,410,000 in cash or shares to the underlying property vendors by 2014. An 80/20 joint venture will be formed at the time of exercise of the option. A 2% NSR will be held in favor of the underlying vendors, half of which may be purchased for $5,000,000.

6. Exploration and Evaluation Assets - continued

Yukon Projects

Kiwi Project

Omineca has an unencumbered 100% interest in the Kiwi property located 70 km northeast of Ross River, in the central Yukon. The claims consist of 32 claims located 25km west of the North Canol Road.113 new claims were staked in the summer of 2011 to increase the property holdings.

Severance Project

The property, located in the west-central Yukon, was originally acquired through an option agreement whereby a 2% Net Smelter Royalty is reserved for the vendor, 4763 NWT Ltd., half of which may be purchased at any time for $1,000,000. The Company has also agreed to reserve for the vendor 25% of the proceeds from any subsequent third-party sale or option of the claims, to a maximum of $100,000.

On March 21, 2007, an option agreement was executed with Northern Freegold Resources Ltd. (“NFR”; which has common directors with the Company) whereby NFR may earn a 100% interest (less 3% NSR, of which 2% may be purchased for $1,500,000) in the Severance Property, by making cash payments totaling $37,500 and issuing 225,000 common shares (received). Under the agreement, NFR. also agreed to:

(a) assume Omineca’s obligation to pay to 4763 NWT Ltd. a 2% Net Smelter Royalty on all mineral production from the Severance Property,
(b) pay to Omineca a 1% Net Smelter Royalty following commercial production on the Severance Property.

The Company has the right to receive 500,000 shares of Northern Freegold Resources Ltd. following:
(a) the commencement of commercial production;
(b) Northern Freegold Resources Ltd.’s transfer of its interest in the Severance Property without Omineca’s consent; or
(c) the sale, transfer, conveyance or other disposition of a control interest in Northern Freegold Resources Ltd. (control interest being an interest allowing a holder to direct or cause the direction of the management and policies of Northern Freegold).

The Company is obligated to transfer 25% of the 500,000 shares, to a maximum value of $28,750, it receives from Northern Freegold Resources Ltd. referred to above to 4763 NWT Ltd. upon its receipt of same. During the year ended December 31, 2011, NFR decided to grant the Company 500,000 shares to facilitate the optioning out of the property. The shares are subject to escrow, with the following release dates: 125,000 issued on January 25, 2012 (received); 125,000 on May 16, 2012 (received); 125,000 on November 16, 2012 and 125,000 on May 16, 2013.

7. Equity Instruments

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

Common Shares - 2012	Number of shares	Amount	Contributed Surplus
Balance, January 1, 2012	18,024,838	$ 5,766,550	$ 371,823
Share-based payments			1,940
Share issue costs		(9,996)	
Balance, March 31, 2012	18,024,838	5,756,554	373,763
Balance, June 30, 2012	**18,024,838**	**$ 5,756,554**	**$ 373,763**

7. Equity Instruments - continued

Common Shares - 2011	Number of shares	Amount	Contributed Surplus
Balance, January 1, 2011			
On incorporation, March 31, 2011		$ 1	
Balance, March 31, 2011		1	
Share-based payments			$ 373,763
Shares issued per Plan of Arrangement	15,917,744	3,367,842	
Balance, June 30, 2011	15,917,744	3,367,843	373,763
Shares issued for cash	2,107,094	373,607	
Flow-through premium		(63,213)	
Share-based payments			(1,940)
Valuation adjustment re Issuance of shares per Plan of Arrangement		2,088,313	
Balance, December 31, 2011	18,024,838	$ 5,766,550	$ 371,823

2011 share issuance
In the second quarter, the Company issued 15,917,744 shares to shareholders of Eagle Plains Resources Ltd. on the completion of the Plan of Arrangement.

In the fourth quarter, the Company issued 2,107,094 flow-through units for gross proceeds of $379,277. Flow-through units were sold at a price of $.18 per unit, each unit consisting of a flow-through common share and one-half non-flow-through common share purchase warrant, each warrant exercisable at $.30 for a 24 month period, expiring December 15, 2013. Share issue costs incurred in conjunction with this offering totalled $15,666. In conjunction with this financing the Company has recorded a flow-through premium liability of $63,213, of which $61,062 has been allocated as other income corresponding to flow-through expenditures made as at June 30, 2012.

c) Stock Option Plan
The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

As at **June 30, 2012,** the Company has the following stock options outstanding:

Total issued and outstanding	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, March 31, 2012 and June 30, 2012	**1,380,000**	**$0.40**	**$0.40**

The following table summarizes information about stock options outstanding at **June 30, 2012:**

Options outstanding	Option price	Weighted Average Exercise Price	Expiry Date	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
1,380,000	**$0.40**	**$0.40**	**Jun 8, 2016**	**1,380,000**	**$0.40**

7. Equity Instruments - continued

At June 30, 2011**,** the Company had the following stock options outstanding:

Total issued and outstanding	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, March 31, 2011	-		
Options issued	1,445,000	$0.40	$0.40
Options outstanding, June 30, 2011	1,445,000	$0.40	$0.40

The following table summarizes information about stock options outstanding at June 30, 2011**:**

Options outstanding	Option price	Weighted Average Exercise Price	Expiry Date	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
1,445,000	$0.40	$0.40	Jun 8, 2016	1,422,500	$0.40

d) Compensation expense for share options

As at June 30, 2012, $1,940 (2011 – $373,763) has been recorded as stock based compensation related to the options vested during the period. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options issued using the Black-Scholes model with the following weighted average assumptions:

Weighted average assumptions:	2011
Expected annual volatility	142.09%
Expected risk free rate	2.30%
Expected term	5 yrs
Expected dividends	Nil
Fair value	$0.26

e) Warrants outstanding

At **June 30, 2012**, the Company has the following share purchase warrants outstanding:

	Number	Price
Balance, March 31, 201 and June 30, 2012	**1,053,547**	**$0.30**

At **June 30, 2012**, the following table summarizes information about warrants outstanding:

Warrants outstanding	Exercise price	Expiry Date
1,053,547	**$0.30**	**Dec 15, 2013**

At June 30, 2011, the Company had no share purchase warrants outstanding.

8. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended June 30, 2012 of 18,024,838 shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had an anti-dilutive effect for the period ended June 30, 2012.

9. Related Party Transactions

The Company was involved in the following related party transactions during the period:

(a) The Company is related to Eagle Plains Resources Ltd. (“EPL”) and Terralogic Exploration Inc. (“TL”) through common directors. During the period the Company had the following transactions with the related companies:

	2012	2011
Services provided by EPL	**$ 21,359**	$ 15,521
Services provided by TL	**$ 7,127**	24,496

At June 30, 2012, nil is included in accounts payable.

(b) The Company is related to Yellowjacket Resources Ltd. (“YJK”) through common directors. During the period the Company had the following transactions with the related company :

	2012	2011
Services provided by YJK	**$ 2,126**	-

At June 30, 2012, nil is included in accounts payable.

(c) Included in administration expenses is $7,303 (2011 - $9,267) paid for legal fees to a law firm of which one of the directors, Darren Fach, is a partner.

Compensation to key management

(a) Included in administration expenses is $10,500 (2011 - $3,500) paid for accounting services to a director and officer of the Company.

(b) Included in administration expenses is $15,000 (2011 - $6,942) paid for consulting fees to a director and officer of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

10. Commitments and Contingencies

The Company is committed to incur exploration expenditures of $379,277 in 2012 to meet the renouncement requirements from the issuance of flow-through shares in December 2011, of which $225,090 must be expended in British Columbia. As at the end of June 30, 2012, $366,372 has been expended, which includes the total British Columbia commitment.

10. Commitments and Contingencies - continued

The Company has $8,500 in term deposits with a Canadian financial institution held as reclamation bonds. The Company has $50,603 in term deposits with a Canadian financial institution for the guarantee of business credit cards.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

11. Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

June 30, 2012	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 2,214,508	$ -	$ -	$ 2,214,508
Investments	128,907	23,734	-	152,641

June 30, 2011	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 2,983,107	$ -	$ -	$ 2,983,107
Investments	147,000	-	-	147,000

As disclosed in Note 4(b), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk and price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk
At June 30, 2012, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

b) Credit risk
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is the carrying value.

11. Financial Instruments - continued

c) Currency risk
Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at June 30, 2012, the Company has no monetary assets or liabilities in foreign currencies.

d) Price risk
The Company's investments designated as available-for-sale are traded on the TSX Venture Exchange. A $0.01 change in the quoted share price would change the fair value of the investments by approximately $1,000. The change would be recorded in Accumulated Other Comprehensive Income.

e) Commodity price risk
The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

12. Statement of Cash Flows

Non-cash financing and investing activities:

Pursuant to certain mineral property option agreements, the Company received 125,000 (2011 – nil) common shares with an attributed value of $30,000 (2011 - nil).

At June 30, 2012, the Company held cashable term deposits bearing interest rates of 1.10% (with maturity terms of July 4, 2012 to July 27, 2012). All of these investments are cashable before maturity and have been treated as cash equivalents.

13. Capital management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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 period ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

14. Subsequent Events

No subsequent events to note.

15. Income Taxes

As of December 31, 2011, the components of the Company's deferred income tax assets are a result of the origination and reversal of temporary differences and are comprised of the following:

Nature of temporary differences	2011
Unused tax losses carried forward	$ 49,144
Share issue costs	1,133
Investments	12,385
	62,662
Unrecognized deferred tax assets	(62,662)
Deferred tax assets	$ -

The carrying value of the mineral properties exceeds its tax value by $179,672. No deferred tax liability was recorded on initial recognition of the asset because the transaction affected neither accounting or tax profit or loss.

As of December 31, 2011, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future income at rates prescribed by the Canadian Income Tax Act:

	2011
Non-capital losses carried forward	$ 196.574
Cumulative Canadian exploration and development expenses	291,823
	$ 488,397