GGL RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

May 31, 2013

(UNAUDITED **-** *Expressed in Canadian Dollars)*

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GGL RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		May 31, 2013		November 30, 2012
ASSETS				
Current				
Cash (Note 3)	$	210,313	$	38,670
Cash reserved for exploration		-		58,800
Amounts receivable (Note 4)		128,447		70,221
Prepaid expenses		11,599		15,206
Total Current Assets		350,359		182,897
Exploration and Evaluation Assets (Note 6)		3,429,528		3,636,654
Property and Equipment (Note 7)		103,464		126,445
	$	3,883,351	$	3,945,996
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 5, 10)	$	125,458	$	202,789
Amounts owed to related parties (Note 5, 10)		618,191		-
Total Current Liabilities		743,649		202,789
Non-current				
Amounts owed to related parties (Note 10)		-		609,578
Total Liabilities		743,649		812,367
SHAREHOLDERS' EQUITY				
Share Capital (Note 8)		35,952,853		35,783,110
Subscription Advances		-		60,000
Share-based Payments Reserve		4,217,619		4,181,619
Deficit		(37,030,770)		(36,891,100)
Total Shareholders' Equity		3,139,702		3,133,629
	$	3,883,351	$	3,945,996

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Raymond A. Hrkac"
Raymond A. Hrkac, Director

"Nick DeMare"
Nick DeMare, Director

Date of Board of Directors approval for issue: July 29, 2013

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

GGL RESOURCES CORP.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the six months ended
(Unaudited – Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	May 31, 2013	May 31, 2012	May 31, 2013	May 31, 2012
Expenses				
Consulting fees	$ 6,250	$ 6,250	$	$ 12,500
Depreciation	157	197		394
Exploration costs - general	6,530	20,420		45,024
Legal and audit	647	683	2,578	(317)
Licenses, taxes, insurance and fees	3,594	1,262		10,460
Office services and expenses	22,926	25,343		46,974
Shareholders' meetings and reports	354	842		1,607
Travel	268	-		399
Operating loss	(40,726)	(54,997)	(91,582)	(117,041)
Other income (loss)				
Interest income	221	246	338	637
Foreign exchange loss	(136)	-	(136)	(24)
Interest expense	(188)	(241)	(410)	(494)
Loss on sale of property and equipment	(9,128)	-	(9,128)	-
Operator's fees	-	-	-	79
Sale of Shoe and Doyle leases	149,999	-	199,999	-
Termination payment	-	-	-	13,376
Write off of exploration and evaluation assets (Note 6(a), (c) and (d))	(141,319)	(1,385,597)	(238,378)	(1,393,410)
Write off of property and equipment (Note 7)	(373)	-	(373)	-
	(924)	(1,385,592)	(48,088)	(1,379,836)
Net loss and comprehensive loss for the period	(41,650)	(1,440,589)	(139,670)	(1,496,877)
Deficit, beginning of period	(36,989,120)	(28,609,383)	(36,891,100)	(28,553,095)
Deficit, end of period	$ (37,030,770)	$ (30,049,972)	$ (37,030,770)	$ (30,049,972)
Loss per share - basic and diluted	$ (0.000)	$ (0.009)	$ (0.001)	$ (0.010)
Weighted average number of common shares outstanding - basic and diluted	160,593,258	155,023,693	158,854,462	155,023,693

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

GGL RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the six months ended
(Unaudited - Expressed in Canadian Dollars)

	Share # of Shares	Capital Amount ($)	Subscription Advances	Share-based Payments Reserve	Deficit	Shareholders' Equity
Balance November 30, 2011	**155,023,693**	**$ 35,727,357**	**$ -**	**$4,133,619**	**$(28,553,095)**	**$ 11,307,881**
Comprehensive loss	-	-	-	-	(1,496,877)	(1,496,877)
Balance May 31, 2012	**155,023,693**	**$ 35,727,357**	$ **-**	**$4,133,619**	**$(30,049,972)**	**$9,811,004**
Balance November 30, 2012	**157,423,693**	**$ 35,783,110**	**$ 60,000**	**$4,181,619**	**$(36,891,100)**	**$ 3,133,629**
Shares issued for cash – flow –through private placement	1,200,000	24,000	-	36,000	-	60,000
Shares issued for cash-private placement	7,550,000	151,000	(60,000)	-	-	91,000
Share issue costs	-	(5,257)	-	-	-	(5,257)
Comprehensive loss	-	-	-	-	(139,670)	(139,670)
Balance May 31, 2013	**166,173,693**	**$ 35,952,853**	**$ -**	**$4,217,619**	**$(37,030,770)**	**$ 3,139,702**

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

GGL RESOURCES CORP.

Condensed Consolidated Interim Statements of Cash Flows
For the six months ended
(Unaudited - Expressed in Canadian Dollars)

	May 31, 2013	May 31, 2012
Cash flows from (used in) operating activities		
Net loss for the period	$ (139,670)	$ (1,496,877)
Adjustment for items not involving cash:		
- depreciation of equipment	314	394
- depreciation of exploration equipment	10,956	15,697
- loss on sale of property and equipment	9,128	-
- write off of exploration and evaluation assets	238,378	1,393,410
- write off of property and equipment	373	-
	119,479	(87,376)
Change in non-cash working capital items:		
- amounts receivable	(58,226)	130,368
- prepaid expenses	3,607	(1,158)
- accounts payable and accrued liabilities (Note 5)	570,923	(20,115)
	635,783	21,719
Cash flows from (used in) financing activities		
Advances (repaid) from related parties (Note 10)	(609,578)	-
Shares issued for cash	151,000	-
Shares issued for cash – flow-through shares	60,000	-
Share issuance costs	(5,257)	-
Subscription advances	(60,000)	-
	(463,835)	-
Cash flows from (used in) investing activities		
Recoveries from exploration and evaluation assets	(61,315)	(155,372)
Proceeds from the sale of property and equipment	15,239	-
Purchase of exploration equipment	(13,029)	-
	(59,105)	(155,372)
Increase (decrease) in cash and cash reserved for exploration	112,843	(133,653)
Cash and cash reserved for exploration, beginning of period	97,470	179,801
Cash and cash reserved for exploration, end of period	$ 210,313	$ 46,148

See Note 13 Supplementary Cash Flow Information

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

1. Nature of Operations and Going Concern

GGL Resources Corp. ("the Company") was incorporated on May 25, 1981 under the provisions of the Company Act (British Columbia). The Company is listed on the TSX Venture Exchange, tier 2, under the symbol "GGL". The Company's head office is located at #906, 675 West Hastings Street, Vancouver, BC, V6B 1N2, Canada. The Company's records office and registered address is Davis LLP, 666 Burrard Street, Vancouver, BC, V6C 2Z7, Canada.

The Company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the exploration and evaluation assets and related deferred costs are entirely dependent upon the existence of such reserves, the ability of the Company to obtain the necessary financing to develop the reserves and upon future profitable production.

As at May 31, 2013, the Company has a negative working capital of $393,290 (November 30, 2012 - $19,892) and a deficit of $37,030,770 (November 30, 2012 - $36,891,100).

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned any revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and it may be difficult to impossible to secure or raise additional funds when required. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. In light of negative cash flows from operating activities, operating losses accrued in the past years and a negative working capital, the Company's ability to continue its exploration programs is dependent on its ability to secure additional financing. The Company intends to continue its exploration programs. Management is actively pursuing such additional sources of financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation and Adoption of IFRS

Statement of Compliance and Conversion to International Financial Reporting Standards

These condensed consolidated 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") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in, and should be read in conjunction with, the Company's audited consolidated financial statements for the year ended November 30, 2012.

(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation and Adoption of IFRS, continued

Basis of Presentation

The Company's condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 the revision and further periods if the review affects both current and future periods.

3. Cash and cash reserved for exploration

	May 31, 2013	November 30, 2012
Cash	$ 210,313	$ 38,670
Cash reserved for exploration expenditures	-	58,800
	$ 210,313	$ 97,470

Cash reserved for exploration consists of proceeds of flow-through financings not yet expensed. Under the terms of the financing, the Company is committed to spend the proceeds on exploration activities.

4. Amounts Receivable

	May 31, 2013	November 30, 2012
Goods and services tax/ Harmonized sales tax receivable	$ 73,911	$ 68,123
Other	54,536	2,098
	$ 128,447	$ 70,221

(Unaudited - Expressed in Canadian Dollars)

5. Accounts Payable and Accrued Liabilities

	May 31, 2013	November 30, 2012
Accounts payable	$ 125,458	$ 202,789
Amounts owed to related parties (Note 10)	618,191	-
	$ 743,649	$ 202,789

6. Exploration and Evaluation Assets

	Balance November 30, 2012	2013 Mineral Interests Additions	2013 Net Exploration cost additions	2013 Written off	Balance May 31, 2013
Doyle Lake	$ 363,436	$ -	$ (14,399)*	$(101,668)	$ 247,369
Fishback Lake	80,081	-	1,709	-	81,790
CH	1,038,833	-	(3,021)*	(98,495)	937,317
Providence Greenstone Belt	1,082,047	-	46,924*	(38,215)	1,090,756
McConnell Creek	1,072,257	-	39	-	1,072,296
	$ 3,636,654	**$ -**	**$ 31,252**	**$(238,378)**	**$ 3,429,528**

* See Notes 6(a), (c) and (d)

	Balance November 30, 2012	2013 Net Additions	2013 Written off	Balance May 31, 2013
Acquisition costs	$ 283,512	$ -	$ (54,741)	$ 228,771
Deferred exploration costs	3,353,142	31,252	(183,637)	3,200,757
	$ 3,636,654	**$ 31,252**	**$(238,378)**	**$ 3,429,528**

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets, continued

	Balance November 30, 2011	2012 Mineral Interests Additions	2012 Exploration Cost Additions (Recoveries)	2012 Written Off/ Impairments	Balance November 30, 2012
Doyle Lake	$ 986,723	$ -	$ (7,079)	$ (616,208)	$ 363,436
Fishback Lake	730,177	-	4,367	(654,463)	80,081
CH	3,247,348	-	106,746	(2,315,261)	1,038,833
Providence Greenstone Belt	3,758,361	-	45,810	(2,722,124)	1,082,047
McConnell Creek	2,849,848	-	42,803	(1,820,394)	1,072,257
	$ 11,572,457	**$ -**	**$ 192,647**	**$(8,128,450)**	**$ 3,636,654**

	Balance November 30, 2011	2012 Net Additions	2012 Written Off/ Impairments	Balance November 30, 2012
Acquisition costs	$ 408,134	$ -	$ (124,622)	$ 283,512
Deferred exploration costs	11,164,323	192,647	(8,003,828)	3,353,142
	$ 11,572,457	**$ 192,647**	**$ (8,128,450)**	**$ 3,636,654**

Included in exploration and evaluation assets are reclamation bonds held in the name of the Ministry of Energy, Mines and Petroleum Resources of BC and the Receiver General (for Northwest Territories claims) in the amount of $76,400 (November 30, 2012 - $76,400).

Exploration costs incurred during the six months ended:

	May 31, 2013	May 31, 2012
Aircraft	$ 49,792	$ -
Licenses, recording fees and lease payments	1,565	51,477
Project supplies	(1,670)	300
Salaries and wages	265	541
Surveying	8,802	-
Technical and professional services	6,994	24,791
Transportation	(34,496)	924
	$ 31,252	**$ 78,033**

6. Exploration and Evaluation Assets, continued

(a) Doyle Lake, Northwest Territories, Canada

Under the De Beers Agreement ("the Agreement") dated May 25, 1995, De Beers Canada Inc. ("De Beers") has earned a 60% interest in the Doyle Lake Properties ("the Properties"), which consist of 5 claims and 3 fractional claims (12,972 acres), all of which are leases, by completing exploration expenditures of $4.65 million.

Under the Agreement, De Beers will recover all of the Company's costs of prospecting, exploration, development and construction incurred preproduction, financed by De Beers or by way of third party borrowings, out of 90% of the annual available cash flow (i.e. cash flow after provision for ongoing operating and non-operating costs) from any mine constructed on the Properties with interest at LIBOR plus 3% or the actual interest rates agreed to be paid, whichever is applicable. The remaining 10% of such available cash flow will be distributed to the members in the Agreement in proportion to their interests in the Properties. If after the completion of a feasibility study and prior to the commencement of commercial production from the first mine, the members in the Agreement cease to carry on development work on the Properties other than by reason of force majeure for a period of more than two years, interest other than interest on third party borrowings, will not be accrued for the period exceeding two years. When development work resumes, the Company will continue to accrue the interest.

In addition, the Company holds a 100% interest in 3 claims (75 acres) in the Doyle Lake area that are not subject to the Agreement. 2 of these claims are leases.

During the period, the Company sold nine of its leases (12,481 acres) and two reinstated leases (3,442 acres), including Bob Camp, to Kennady Diamonds Inc. for $150,000 cash (allocated $149,999 for the leases and $1 for the camp) and a retained 1.5% NSR on all the leases except for one where the Company retains a 0.5% NSR. These leases were not subject to the Agreement. The costs related to these leases of $101,668 were written off.

Recorded expenditures for 2013 include camp rental fees collected of $25,800. The amount was recorded as exploration cost recoveries on exploration and evaluation assets.

(b) Fishback Lake, Northwest Territories, Canada

The Company owns 2 claims (3,108 acres). One of these claims is a mining lease.

(c) CH, Northwest Territories, Canada

The Company owns 45 claims (90,146 acres), north-northeast of Yellowknife, acquired by staking during the years 2000 to 2003. These claims include the Courageous, Seahorse, Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims. 20 of these claims are leases.

During the period, the four Shoe mineral leases (10,194 acres) were sold to Arctic Star Exploration Corp. for a cash payment of $50,000 and a retained 1.5% Royalty of which 0.5% may be purchased for $2 million.

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets, continued

(c) CH, Northwest Territories, Canada, continued

During the period, $98,495 was written off relating to the Shoe leases and one claim (103 acres) that was allowed to lapse. Recorded expenditures for 2013 include the refund of extension deposits of $15,614. The amount was recorded as exploration cost recoveries on exploration and evaluation assets.

(d) Providence Greenstone Belt, Northwest Territories, Canada

The Company owns 33 claims (74,237 acres) in the Providence Greenstone Belt ("PGB") area of the Northwest Territories. These claims lie within an extensive belt of rocks previously identified by a mapping project funded by the Geological Survey of Canada and reported as having the potential for hosting magmatic nickel mineralization.

Recorded expenditures for 2013 include camp rental fees, the sale of excess fuel and the refund of extension deposits totaling $26,688. The amount was recorded as exploration cost recoveries on exploration and evaluation assets. During the period, the Company allowed 24 claims (44,882 acres) to lapse and $38,215 was written off.

(e) McConnell Creek, British Columbia, Canada

The Company owns 2 mineral claims (4,878 hectares) in the Omineca Mining Division of British Columbia.

7. Property and Equipment

		Office Furniture		Exploration Equipment		Total
Cost						
Balance as at November 30, 2011	$	58,953	$	665,290	$	724,243
Additions		-		3,362		3,362
Disposals		-		(115,925)		(115,925)
Balance as at November 30, 2012	$	58,953	$	552,727	$	611,680
Additions		-		13,029		13,029
Disposals		-		(114,126)		(114,126)
Balance as at May 31, 2013	$	58,953	$	451,630	$	510,583
Accumulated Depreciation						
Balance as at November 30, 2011	$	46,613	$	516,725	$	563,338
Depreciation		2,468		29,138		31,606
Disposals		-		(109,709)		(109,709)
Balance as at November 30, 2012	$	49,081	$	436,154	$	485,235
Depreciation		987		10,283		11,270
Disposals		-		(89,386)		(89,386)
Balance as at May 31, 2013	$	50,068	$	357,051	$	407,119

(Unaudited - Expressed in Canadian Dollars)

7. Property and Equipment, continued

Carrying Amounts

At November 30, 2011	$	12,340	$	148,565	$	160,905
At November 30, 2012	$	9,872	$	116,573	$	126,445
At May 31, 2013	$	8,885	$	94,579	$	103,464

At May 31, 2013 depreciation is recorded on the Statement of Comprehensive Loss as $314 in depreciation and $10,956 is recorded as part of general exploration costs.

During the period ended May 31, 2013:

a) the Company purchased some field equipment for Bob Camp for $13,029;

b) sold some field equipment and Bob Camp including contents for $15,239; and

c) wrote off some obsolete equipment of $373.

8. Share Capital

(a) Authorized: unlimited common shares without par value;

(b) During the period ended May 31, 2013, the Company completed a private placement of 1,200,000 flow-through units at $0.05 per unit for gross proceeds of $60,000 (share issuance costs of $2,247). Each unit consists of one common flow-through share and one non-transferable non flow-through warrant. Each warrant entitles the holder to purchase one non flow-through common share until January 24, 2016 at $0.05 per share during the first year and at $0.10 per share during years two and three, subject to an Acceleration Event. The securities had a hold period until May 25, 2013.

If GGL's common shares trade on the TSX Venture Exchange at a closing price greater than $0.40 per share for twenty consecutive trading days at any time after four months and one day from the closing date, GGL may accelerate the expiry of the warrants by giving notice to the holders thereof, and in such case the warrants will expire on the 30th day after the date on which such notice is given ("Acceleration Event").

At May 31, 2013, all the proceeds from these flow-through shares have been spent on Canadian exploration expenditures on the Company's exploration and evaluation assets.

(c) During the period ended May 31, 2013, the Company completed a private placement of 7,550,000 non flow-through units at $0.02 per unit for gross proceeds of $151,000 (share issuance costs of $3,010). Each unit consists of one common non flow-through share and one non-transferable non-flow through warrant. Each warrant will entitle the holder to purchase one non flow-through common share until May 8, 2018 at $0.05 per share during the first year and at $0.10 per share during years two to five, subject to an Acceleration Event (see Note 8(b)). The securities have a hold period until September 9, 2013.

(Unaudited - Expressed in Canadian Dollars)

8. Share Capital, continued

(d) Changes in warrants during the six months ended:

	May 31, 2013		May 31, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	4,000,000	$0.10	6,798,334	$0.16
Issued	8,750,000	$0.05	-	-
Outstanding, end of period	12,750,000	$0.07	6,798,334	$0.16

The Company has the following warrants outstanding and exercisable as at May 31, 2013:

Number of warrants	Exercise Price	Expiry Date
1,600,000	$0.10	Sept. 20, 2014
1,200,000	$0.05/$0.10	Jan. 24, 2016
2,400,000	$0.10	Aug. 17, 2017
7,550,000	$0.05/$0.10	May 8, 2018
12,750,000		

9. Stock Options

In 2006, the Company amended its Stock Option Plan to a 10% rolling plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the TSX Venture Exchange policies.

Under this plan, the number of shares available for grant increases as the issued capital of the Company increases.

No options were granted during the period.

(Unaudited - Expressed in Canadian Dollars)

9. Stock Options, continued

	# of Options Outstanding	Weighted Average Exercise Price
Options outstanding as at November 30, 2011	12,405,000	$0.19
Expired	(3,425,000)	$0.34
Options outstanding as at November 30, 2012	8,980,000	$0.14
Expired	(3,800,000)	$0.18
Options outstanding as at May 31, 2013	5,180,000	$0.10

	May 31, 2013	May 31, 2012
Weighted average remaining contractual life	1.36 years	1.4 years
Weighted average fair value of options granted during the period	N/A	N/A

The following table sets forth information relating to stock options outstanding as at May 31, 2013:

Expiry Dates	Exercise prices	Number outstanding and exercisable at May 31, 2013	Weighted average remaining contractual life (years)
July 31/13	$0.20	25,000	0.17
Aug. 19/14	$0.10	4,275,000	1.22
June 24/15	$0.10	880,000	2.07
		5,180,000	

The fair value of each option granted to an employee is estimated as of the date of grant using the *Black-Scholes option pricing model* with the following assumptions: risk-free interest rate, dividend yield, volatility, expected life and estimated forfeiture rate.

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

(Unaudited - Expressed in Canadian Dollars)

10. Related Party Disclosures

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

There are two related parties: one director and officer and one consultant. The related parties have agreed to not demand payment of their November 30, 2012 outstanding fees until after December 1, 2013. At November 30, 2012, the amounts owing to them were classified as non-current liabilities, amounts owed to related parties on the consolidated statements of financial position. These payments were classified as part of current liabilities in previous years. See Note 5.

At May 31, 2013, these amounts are recorded in current amounts owed to related parties.

May 31, 2013	Consulting Fees	Technical and professional services	Current Amounts owed to related parties
Management	$ 12,500	$ -	$ 471,466
Non-management	$ -	$ 9,053	$ 146,725
Total	$ 12,500	$ 9,053	$ 618,191

May 31, 2012	Consulting Fees	Technical and professional services	Current Accounts Payable
Management	$ 12,500	$ 3,125	$ 452,547
Non-management	$ -	$ 35,100	$ 118,695
Total	$ 12,500	$ 38,225	$ 571,242

11. Segmented Information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the six months ended May 31, 2013 and May 31, 2012.

12. Financial Instruments

The Company classifies all financial instruments as fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, or other financial liabilities. The carrying values of the Company’s financial instruments are classified into the following categories:

(Unaudited - Expressed in Canadian Dollars)

12. Financial Instruments, continued

Financial instruments – Disclosures

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs that are not based on observable market data.

(a) **Fair Value**

The fair value of financial instruments at May 31, 2013 and May 31, 2012 is summarized as follows:

	May 31, 2013		May 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
FVTPL				
Cash	$ 210,313	$ 210,313	$ 21,072	$ 21,072
Cash reserved for exploration	-	-	$ 25,076	$ 25,076
Loans and receivables				
Amounts receivable	$128,447	$128,447	$ 59,581	$ 59,581
Financial Liabilities				
Other Financial liabilities				
Accounts payable and accrued liabilities	$ 125,458	$ 125,458	$ 129,133	$ 129,133
Amounts owed to related parties	$ 618,191	$ 618,191	$ 571,242	$ 571,242

The recorded amounts for cash, cash reserved for exploration, amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash, and cash reserved for exploration under the fair value hierarchy are measured using Level 1 inputs.

(Unaudited - Expressed in Canadian Dollars)

12. Financial Instruments, continued

(b) **Financial Risk Management**, continued

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange (currency) risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, cash reserved for exploration and amounts receivable. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company deposits the majority of its cash with high credit quality financial institutions in Canada.

Currency risk

The Company operates in Canada and transacts business with foreign vendors and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk. Currency risk is not considered significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The Company manages liquidity by carefully monitoring its operating requirements.

13. Supplementary Cash Flow Information

Non-cash operating and investing activities were conducted by the Company during the six months ended:

	May 31, 2013	May 31, 2012
Operating activities		
Accounts payable for exploration and evaluation assets	$ 521,303	$ 470,952
Investing activities		
Additions to exploration and evaluation assets	$ (521,303)	$ (470,952)
Other supplementary cash flow information:		
Cash paid for interest charges	$ 410	$ 494

14. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash reserved for exploration.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to maximize ongoing development efforts, the Company does not pay dividends.