ROMIOS GOLD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2013

(Unaudited, expressed in Canadian dollars)

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Cdn $)

Unaudited

As at	**March 31 2013 $**	June 30 2012 $
Assets		
Current		
Cash and cash equivalents (note 4)	**1,823,462**	2,601,758
Cash and cash equivalents for future exploration activities (note 4)	**-**	592,491
Accounts receivable	**10,583**	23,978
Prepaid expenses	**56,128**	298,363
Total current assets	**1,890,173**	3,516,590
Marketable securities (note 5)	**-**	18,182
Exploration and evaluation assets (note 5)		
Acquisition costs	**4,196,696**	4,165,576
Deferred exploration and evaluation expenditures	**21,267,178**	20,219,589
Total assets	**27,354,047**	27,919,937
Liabilities		
Current		
Accounts payable & accruals	**80,083**	210,991
Deferred flow-through share premium liability	**-**	158,011
Deferred income tax	**2,580,211**	2,580,211
Total liabilities	**2,660,294**	2,949,213
Contingencies and commitments (note 11)		
Shareholders' equity		
Share capital (note 6(a))	**30,796,443**	30,796,443
Warrants (note 6(c))	**-**	198,403
Contributed surplus (note 7)	**3,718,268**	3,380,051
Deficit	**(9,820,958)**	(9,404,173)
Total shareholders' equity	**24,693,754**	24,970,724
Total liabilities and shareholders' equity	**27,354,047**	27,919,937

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

APPROVED ON BEHALF OF THE BOARD on April 24, 2013

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Cdn $)

Unaudited

	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At June 30, 2011	24,853,488	3,659	3,093,790	(7,678,070)	20,272,867
Net loss and comprehensive loss for the period	-	-	-	(713,747)	(713,747)
Common shares issued, net	910,924	-	-	-	910,924
Shares issued for property acquisition	2,000,000	-	-	-	2,000,000
Flow-through shares issued, net	3,135,767	-	-	-	3,135,767
Valuation of compensation warrants	(198,403)	198,403	-	-	-
Contribution on exercise of warrants	3,659	(3,659)	-	-	-
Common shares issued on exercise of options and warrai	50,200	-			50,200
Contribution on exercise of options	103,781	-	(103,781)	-	-
Share-based compensation	-	-	127,766	-	127,766
At March 31, 2012	30,859,416	198,403	3,117,775	(8,391,817)	25,783,777
Net loss and comprehensive loss for the period	-	-		(1,012,356)	(1,012,356)
Contribution on exercise of options	(62,973)	-	62,973	-	-
Share-based compensation	-	-	199,303	-	199,303
At June 30, 2012	30,796,443	198,403	3,380,051	(9,404,173)	24,970,724
Net loss and comprehensive loss for the period	-	-	-	(416,785)	(416,785)
Adjustment of expired warrants	-	(198,403)	198,403	-	-
Share-based compensation	-	-	139,815	-	139,815
At March 31, 2013	30,796,443	-	3,718,268	(9,820,958)	24,693,754

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

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Profit and Loss, and Comprehensive Profit and Loss

(Expressed in Cdn $)

Unaudited

	For the three months ended March 31		For the nine months ended March 31	
	2013	2012	**2013**	2012
	$	$	**$**	$
Expenses				
Professional fees	**53,224**	84,751	**151,212**	282,656
Management fees and salaries	**37,500**	37,500	**112,500**	112,500
Office and general	**33,296**	34,350	**83,562**	81,404
Shareholder communication	**35,085**	85,147	**89,958**	190,673
Share-based compensation	**41,282**	12,933	**139,815**	127,766
Loss for the period before the following	**(200,386)**	(254,681)	**(577,047)**	(794,998)
Other gains (note 5)	-	50,000	-	50,000
Writedown of carrying value of shares (note 5)	**-**	-	**(18,182)**	-
Interest income	**5,796**	11,528	**20,433**	31,251
Net loss for the period	**(194,590)**	(193,153)	**(574,796)**	(713,747)
Deferred income tax recovery	**-**	-	**158,011**	-
Net loss and comprehensive loss	**(194,590)**	(193,153)	**(416,785)**	(713,747)
Basic and diluted loss per share	**0.00**	0.00	**0.00**	0.00
Weighted average number of shares outstanding	**156,762,001**	150,083,288	**156,762,001**	148,022,206

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

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Cdn $)

Unaudited

	For the nine months ended March 31	
	2013	2012
	$	$
Operating activities		
Net loss for the period	**(416,785)**	(713,747)
Items not affecting cash:		
Share-based compensation	**139,815**	127,766
Provision for writedown of carrying value of shares	**18,182**	-
Share proceeds from joint venture	-	(25,000)
Deferred income tax	**(158,011)**	-
	(416,799)	(610,981)
Net change in non-cash working capital		
Accounts receivable	**13,395**	209,569
Prepaid expenses	**242,235**	(88,765)
Accounts payable and accrued liabilities	**(130,909)**	(1,279,302)
Net cash used in operating activities	**(292,079)**	(1,769,479)
Investing activities		
Exploration and evlauation assets acquisition costs	**(31,120)**	(15,170)
Deferred exploration expenditures	**(1,047,589)**	(4,128,417)
Net cash used in investing activities	**(1,078,709)**	(4,143,587)
Financing activities		
Private placement of common shares	**-**	4,954,700
Exercise of options and warrants	**-**	50,200
Value of warrants issued	**-**	198,403
Share issue expense	**-**	(539,772)
Net cash from financing activities	**-**	4,663,531
Change in cash and cash equivalents	**(1,370,787)**	(1,249,535)
Cash and cash equivalents, beginning of period	**3,194,249**	4,844,114
Cash and cash equivalents, end of period	**1,823,462**	3,594,579
Cash comprises:		
Cash and cash equivalents	**1,823,462**	2,232,212
Cash and cash equivalents for future exploration activities	**-**	1,362,367
	1,823,462	3,594,579

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

Romios Gold Resources Inc.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the 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. The Company's independent auditor has not performed a review of these financial statements.

DATED this 24th day of April, 2013.

ROMIOS GOLD RESOURCES INC.

Per: *(signed) "Tom Drivas"*
Name: Tom Drivas
Title: Chief Executive Officer

Per: *(signed) "Michael D'Amico"*
Name: Michael D'Amico
Title: Chief Financial Officer

1. Nature of operations and going concern

Romios Gold Resources Inc. (“Romios” or "the Company") has interests in resource properties and is in the process of determining whether its properties contain resources that are economically recoverable.

The accompanying unaudited condensed interim consolidated financial statements (“Financial Statements”) of the Company have been prepared by, and are the responsibility of, the Company’s management. The Company’s independent auditor has not performed a review of these Financial Statements.

These 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 for the foreseeable future. As at March 31, 2013 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of $1,810,090 as at March 31, 2013, and has incurred losses since inception, resulting in an accumulated deficit of $9,820,958 as at March 31, 2013. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the “going concern” assumption is not appropriate. If the “going concern” assumption is not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its exploration and evaluation assets and related deferred exploration and evaluation expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Basis of preparation and statement of compliance with IAS 34

These Financial Statements form part of the period covered by the Company’s International Financial Reporting Standards (“IFRS”) annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34- *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company’s IFRS annual reporting date, June 30, 2013.

These Financial Statements may not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended June 30, 2012 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) in effect as of June 30, 2012.

An explanation of the transition to IFRS with a transition date of July 1, 2010 has been provided in the Company’s audited annual consolidated financial statements for the year ended June 30, 2012.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the nine months ended March 31, 2013, may not be indicative of the results that may be expected for the year ending June 30, 2013.

3. Summary of significant accounting policies

The company's first annual consolidated IFRS statements were dated June 30, 2012 and included all required disclosure for conversion to IFRS. Readers should refer to those annual consolidated financial statements for the accounting policies used in the preparation of these Financial Statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at June 30, 2013. In the event that accounting policies adopted at June 30, 2013 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at June 30, 2013.

The accounting policies have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

Principles of consolidation

The Financial Statements include the accounts of 100% owned McLymont Mines Inc. All inter-company accounts and transactions have been eliminated on consolidation.

4. Cash and cash equivalents

Cash and cash equivalents and cash and cash equivalents held for future exploration activities consist of cash and investments in Canadian Chartered Bank demand money market funds.

During the nine months to March 31, 2013, the Company spent a total of $1,456,512 on exploration and evaluation activities, including the balance of all funds raised exclusively for Canadian Exploration Expenditures ("CEE") in the current and prior fiscal years.

5. Exploration and evaluation assets

Acquisition costs

	British Columbia $	Quebec $	Nevada, USA $	Total $
Balance, June 30, 2012	4,052,113	74,997	38,466	4,165,576
Total additions for the period	31,120	-	-	31,120
Balance March 31, 2013	4,083,233	74,997	38,466	4,196,696

On August 27, 2012, the Company announced the acquisition of an additional 5,700 hectares of mineral tenures within the Golden Triangle area in northwestern British Columbia.

Deferred exploration and evaluation expenditures

	British Columbia $	Quebec $	Ontario $	Total $
Balance, June 30, 2012	19,223,988	995,601[1]	-	20,219,589
Additions:				
Assessment filings	6,290	-	53	6,343
Assaying	120,676	3,552	4,049	128,277
Contract flying	421,473	-	-	421,473
Drilling	390,472	-	-	390,472
Field communications	7,533	-	39	7,572
Contract labour	281,087	5,638	34,983	321,708
Subcontract labour	36,724	-	-	36,724
Camp costs	48,575	-	4,947	53,522
Other	86,733	2,350	1,338	90,421
Total additions for the period	1,399,563	11,540	45,409	1,456,512
British Columbia refund	(386,967)	-	-	(386,967)
Quebec refund	-	(21,956)	-	(21,956)
Balance, March 31, 2013	20,236,584	985,185	45,409	21,267,178

[1] Amounts shown are net of refunds totalling $365,349 received from the province of Quebec (2011 - $20,021 and 2010 - $345,328).

British Columbia

In 2005, the Company acquired, through an exchange of shares, a 100% interest in McLymont Mines Inc., a company whose only significant asset is an interest in the Newmont Lake Property in British Columbia.

In 2006, the Company entered into an option agreement with Galore Creek Staking Syndicate, 2003 (Galore Creek Syndicate) to acquire a 100% interest in 5 land tenures (2,693 hectares) located in the Liard Mining Division of British Columbia, known as the Trek Property.

By September 27, 2012, the Company had earned, from Gulf International Minerals Inc. ("Gulf"), a 100% interest in the Newmont Lake property in British Columbia, which consists of 18 mineral claims (6,175 hectares) in the Liard Mining Division of British Columbia, subject to a 1.5% Net Smelter Returns Royalty ("Gulf NSR") in favour of Gulf. The Company has the option to purchase 1/3 of the Gulf NSR for $1,000,000.

The Company completed its obligations under an option agreement with Roca Mines Inc. ("Roca") to earn a 50% interest in 8 exploration and evaluation assets (4,000 hectares) known as the Seagold Property in the Liard Mining Division of British Columbia and entered into a joint venture with Roca for the further exploration and development on the properties. Upon reaching commercial production the Company is required to issue a further 200,000 shares to Roca. The joint venture agreement calls for a 50/50 sharing of costs incurred for exploration and maintenance of the property. In the current fiscal year, $509,139 was spent on exploration; however, Roca has notified the Company that it will not be contributing its proportionate share. Consequently, the Company's share of the joint venture has increased to 56% in accordance with the joint venture agreement.

During the year ended June 30, 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 2 land tenures (1,321 hectares) located in the Liard Mining Division of British Columbia, known as the RP Property. The agreement was amended in 2010 to require a payment of $115,000 cash of which $15,000 has been paid with the remaining $100,000 due December 1, 2014. In addition, the Company was required to issue a total of 800,000 common shares of which 400,000 have been issued and the remaining 400,000 were to be issued as follows: 50,000 shares on each of March 31, 2012 and December 1, 2012 with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments included optional expenditure commitments on the property totalling $900,000, with $100,000 to be spent before December 1, 2012; an additional $300,000 before December 1, 2013; and an additional $500,000 before December 1, 2014. The amendment agreement also required the expansion of the size of the property to a minimum of 248 contiguous cells (claim units) from the current 75 cells (claim units) prior to March 31, 2012. By March 31, 2012 the Company had not fulfilled its obligations; however it received notification that the Galore Creek Syndicate will not issue a default notice at the present time but reserves the right to do so at any time in the future unless the Company fulfills all of its obligations under the revised agreement.

In 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 1 land tenure (614 hectares) located in the Liard Mining Division of British Columbia, known as the JW Property. The agreement was amended in 2010 to require the payment of $115,000 cash, of which $15,000 has been paid with the remaining $100,000 due December 1, 2014. In addition, the Company was required to issue a total of 700,000 common shares of which 300,000 common shares have been issued and the remaining 400,000 common shares were to be issued as follows: 50,000 shares on each of March 31, 2012 and December 1, 2012; with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments included optional expenditure commitments on the property totalling $1,400,000; with $100,000 to be spent before December 1, 2012; an additional $250,000 to be spent before December 1, 2013; an additional $450,000 before December 1, 2014; and an additional $600,000 before December 1, 2015. The amendment agreement also required the expansion of the size of the property to a minimum of 220 contiguous cells (claim units) from the current 35 cells (claim units) prior to March 31, 2012. By March 31, 2012 the Company had not fulfilled its obligations; however it received notification that the Galore Creek Syndicate will not issue a default notice at the present time but reserves the right to do so at any time in the future unless the Company fulfills all of its obligations under the revised agreement.

The Company also holds a 100% interest in 213 mineral claims in the Liard Mining Division of British Columbia.

Quebec

During the year ended June 30, 2009 the Company acquired a molybdenum property that was the site of the former producing La Corne molybdenum mine approximately 30 kilometres from the town of Val d'Or, Quebec. The property is subject to a 3% Net Smelter Return (NSR) retained by the vendors, of which half (1.5%) can be repurchased for $500,000. The total amount expended to March 31, 2013 before refunds received from the Province of Quebec is $1,372,490.

Ontario and Nevada

At June 30, 2009, the Company wrote down the carrying value of its Ontario and Nevada properties to a nominal amount as the Company’s focus is currently on its BC and Quebec properties.

On January 11, 2012, the Company signed an option agreement with Mexivada Mining Corp. (“Mexivada”) pursuant to which Mexivada could earn up to 60% interest in the mining rights to the Company’s Timmins Hislop property in Hislop Township in the Matheson gold camp, Ontario, Canada. Under the terms of the agreement, the Company received the first option payment of $25,000 in cash and 454,545 Mexivada shares valued at $25,000, and retains all surface rights. As at June 30, 2012, the Company marked to market the value of the Mexivada shares resulting in a fair value of $18,182. At December 20, 2012 Mexivada reported that a general Cease Trade Order was issued against Mexivada by the British Columbia Securities Commission. As a result, at March 31, 2013 the remaining value of the Mexivada shares was written down to $0. As Mexivada did not fulfill the terms of the agreement, the Company now has an unrestricted ownership of the property and incurred $45,409 in exploration and evaluation expenditures in the current quarter.

6. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The number of common shares issued as at June 30, 2012 and March 31, 2013 is 156,762,001 with a share capital value of $30,796,443.

(b) Common share purchase options

The Company has created a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at March 31, 2013, 8,725,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options	**Weighted-average exercise price**
	#	$
Outstanding at June 30, 2012	9,125,000	0.23
Expired	(400,000)	0.65
Outstanding at March 31, 2013	8,725,000	0.22
Options exercisable at March 31, 2013	7,275,000	0.22

On July 9, 2012, 150,000 options held by a Director at an exercise price of $0.65 per share expired unexercised.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
1,000,000	1,000,000	2.4 months	$0.32	June 12, 2013
700,000	700,000	2.9 months	$0.32	June 27, 2013
500,000	500,000	9.7 months	$0.15	January 22, 2014
150,000	150,000	15.8 months	$0.15	July 24, 2014
1,750,000	1,750,000	24.3 months	$0.14	April 9, 2015
1,000,000	1,000,000	31.3 months	$0.15	November 8, 2015
150,000	150,000	1.2 months	$0.475	May 6, 2013
250,000	250,000	13.3 months	$0.53	May 10, 2014
325,000	325,000	14.2 months	$0.20	June 7, 2014
2,900,000	1,450,000	50.4 months	$0.20	June 12, 2017
8,725,000	7,275,000			

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues. By August 9, 2012, all remaining warrants expired unexercised.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number	***Price Range***
	#	$
Balance June 30, 2012	5,432,301	0.52 to 1.00
Expired	(5,432,301)	0.52 to 1.00
Balance March 31, 2013	Nil	

7. Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount
	$
Balance, June 30, 2012	3,380,051
Common shares purchase warrants expired	198,403
Stock based compensation	139,815
Balance, March 31, 2013	3,718,268

The number of common shares outstanding on March 31, 2013 was 156,762,001. Taking into account outstanding share purchase options and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on March 31, 2013 was 166,487,001.

8. Related party transactions

During the three months ended March 31, 2013, the Company incurred related party expenses of $52,500 (2012 – $52,500) and $166,275 for the nine months ended March 31, 2013 (2012 - $169,988). These expenses related to salary and consulting fees and salaries paid to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Thomas Skimming, V.P. Exploration and Michael D'Amico Chief Financial Officer.

Share based compensation to key management and directors for the three months ended March 31, 2013 were $41,282 (2012 - $nil) and for the nine months ended March 31, 2013 were $122,999 (2012 - $24,374).

During the three months ended March 31, 2013, the Company incurred expenses of $11,998 (2012 - $24,250) and $21,696 for the nine months ended March 31, 2013 (2012 - $87,167) for legal fees to a law firm related to the Corporate Secretary of the Company, William R. Johnstone. At March 31, 2013, $10,429 (2012 - $18,477) was due and payable.

During the three months ended March 31, 2013, the Company incurred expenses of $5,000 (2012 - $4,000) and $ 17,000 for the nine months ended March 31, 2013 (2012 - $12,000) related to directors' fees to independent directors. At March 31, 2013, $4,728 was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Financial instruments and risk management

Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sales are classified into the following categories:

	March 31 2013 $	June 30 2012 $
FVTPL (1)	**1,823,462**	3,194,249
Loans and receivables (2)	**10,583**	23,978
Other financial liabilities (3)	**80,083**	210,991

(1) Includes cash, committed cash and short-term investments.
(2) Includes accounts receivable related to HST tax refunds.
(3) Includes accounts payable and bank overdraft.

Financial Instruments

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
(ii) H.S.T. receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

Carrying value of mining and exploration properties

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper, silver and molybdenum, production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that there is no impairment of carrying value on its British Columbia and Quebec properties.

(a) Market risk

(i) Price risk
Commodity price risk

The price of gold and base metals may have an impact on the Company's exploration programs.

Sensitivity price risk

Anticipated changes in the value of gold and base metals would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with banks and financial institutions as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the condensed interim consolidated financial statements are adjusted for any impairment and represent the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives**.**

10. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

11. Contingencies and commitments

As at March 31, 2013:

a) the Company has $ 10,689 in future lease commitments on its principle location,
b) The Company has $40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses.

12. Subsequent events

At April 9, 2013 Frank van de Water, a director and Chairman of the Audit Committee, was appointed Chief Operating Officer of the Company and was granted 250,000 officer's stock options exercisable at $0.10 per share for five years under the Company's Stock Option Plan.

On April 22, 2013 the Company received $52,529 with respect to a BC Mining Exploration Tax Credit. This amount will be recorded as a reduction of deferred exploration and evaluation expenditures in April 2013.