



CONFEDERATION
MINERALS LTD.

Condensed Interim Financial Statements

Second Quarter Ended December 31, 2014

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Confederation Minerals Ltd. for the six months ended December 31, 2014, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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 indication that an auditor has not reviewed the financial statements.

The accompanying unaudited 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 in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the interim financial statements by an entity's auditor.

CONFEDERATION MINERALS LTD.Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2014	June 30, 2014
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		3,957	33,241
Short-term investment	3	15,000	221,588
Marketable securities	4	760,000	780,000
Receivables	5	13,237	16,374
Prepaid expenses		11,904	32,254
Total current assets		804,098	1,083,457
Non-current assets			
Exploration and evaluation assets	6	12,331,759	12,225,338
Total assets		13,135,857	13,308,795
LIABILITIES			
Current liabilities			
Payables and accruals	7	309,895	99,308
Total liabilities		309,895	99,308
EQUITY			
Equity attributable to shareholders			
Share capital	8	20,121,196	20,121,196
Reserves		2,535,967	2,535,967
Accumulated deficit		(10,032,888)	(9,649,363)
Accumulated other comprehensive income (loss)		201,687	201,687
Total equity		12,825,962	13,209,487
Total liabilities and equity		13,135,857	13,308,795

Nature of Operations and Continuance of Operations (note 1)
Commitments (note 12)

These condensed interim financial statements are authorized for issue by the Board of Directors on March 2, 2015. They are signed on the Company's behalf by:

On behalf of the Board:

<u>"Kenneth Holmes"</u> Director	<u>"Lawrence Dick"</u> Director
Kenneth Holmes	Lawrence Dick

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

CONFEDERATION MINERALS LTD.Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months ended		Six months ended	
	Notes	December 31,		December 31,	
		2014	2013	2014	2013
		\$	\$	\$	\$
General and administrative expenses					
Consulting fees	9	120,000	177,862	240,000	367,500
Filing fees		7,286	2,179	11,819	4,726
Insurance		15,667	15,620	30,910	29,274
Meals and entertainment		371	2,918	482	5,206
Office expenses		9,174	7,961	16,974	27,742
Professional fees		2,720	8,681	4,777	13,310
Share-based payments		-	6,290	-	64,580
Shareholder information		2,243	44,952	18,983	58,408
Transfer agent fees		5,162	1,863	8,253	3,497
Travel and accommodation		-	7,591	-	17,263
Wages	9	9,654	48,704	31,809	96,340
		(172,277)	(324,621)	(364,007)	(687,846)
Unrealized loss on marketable securities		30,000	(140,000)	(20,000)	(10,000)
Interest and miscellaneous income		(32)	3,041	482	9,488
Loss before income tax		(142,309)	(461,580)	(383,525)	(688,358)
Income tax (expenses) recovery		-	-	-	(361)
Loss for the period		(142,309)	(461,580)	(383,525)	(688,719)
Other comprehensive income (loss)					
Items that may be reclassified into profit and loss					
Unrealized gain (loss) on marketable securities		-	(320,000)	160,000	160,000
Loss and comprehensive loss for the period		(142,309)	(781,580)	(223,525)	(528,719)

Loss per share (note 10)

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

CONFEDERATION MINERALS LTD.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Six Months Ended December 31,	2014	2013
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(383,525)	(688,719)
Items not involving cash:		
Interest income	(482)	(9,488)
Share-based payments	-	64,580
Unrealized loss/(gain) on whole share warrants	20,000	10,000
Changes in non-cash working capital:		
Receivables	3,137	621,215
Prepaid expenses	20,350	39,068
Accounts payable and accrued liabilities	210,587	(184,444)
	(129,933)	(147,788)
Investing activities:		
Sale of short-term investment	206,588	1,006,224
Exploration and evaluation assets and intangible assets	(106,421)	(1,232,133)
Interest received	482	9,488
	100,649	(216,421)
Financing activities:		
Proceeds from shares issued, net of costs	-	162,500
	-	162,500
Net change in cash and cash equivalents	(29,284)	(201,709)
Cash and cash equivalents, beginning of period	33,241	270,981
Cash and cash equivalents, end of period	3,957	69,272

Supplementary cash flow information (note 11)

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

CONFEDERATION MINERALS LTD.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares			Deferred		Accumulated	Total
	Number of	Amount	Reserves	Share Based	Deficit	Other	Shareholder's
	Shares			Payment		Comprehensive	Equity
		\$	\$	\$	\$	Income (Loss)	\$
Balance on June 30, 2013	65,278,532	19,847,270	2,560,143	(14,678)	(8,150,825)	549,687	14,791,597
Common shares issued:							
- exercise of stock options	350,000	87,500	-	-	-	-	87,500
- exercise of warrants	500,000	75,000					75,000
- for mineral property interest	150,000	35,250					35,250
Share-based payment	-	-	52,000	12,580	-	-	64,580
Loss for the period	-	-	-	-	(688,719)	-	(688,719)
Other comprehensive income (loss)	-	-	-	-	-	160,000	160,000
Balance - December 31, 2013	66,278,532	20,045,020	2,612,143	(2,098)	(8,839,544)	709,687	14,525,208
Balance on June 30, 2014	66,278,532	20,121,196	2,535,967	-	(9,649,363)	201,687	13,209,487
Loss for the period	-	-	-	-	(383,525)	-	(383,525)
Balance - December 31, 2014	66,278,532	20,121,196	2,535,967	-	(10,032,888)	201,687	12,825,962

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

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements
For the Six Months Ended December 31, 2014
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

The Company was incorporated on November 3, 2005 under the Business Corporations Act (British Columbia) as “Medina Ventures Inc.”, changed its name to “Sienna Minerals Ltd.” on April 26, 2006 and changed its name to Confederation Minerals Ltd. on April 11, 2007. The Company’s principal business activity is the exploration of exploration and evaluation assets.

The amounts shown as exploration and evaluation assets represent net costs to date, less any amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place these assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company’s ability to obtain the required additional financing necessary to develop these assets.

The Company has working capital as at December 31, 2014 of \$494,203 and an accumulated deficit of \$10,032,888. These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses from inception and does not currently have the financial resources to complete development in the long-term. As at December 31, 2014, the Company had not advanced its properties to commercial production. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds from there and/or raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern.

The financial information is presented in Canadian Dollars (CDN\$), which is the functional currency of the Company.

The head office and principal address of the Company are located at Suite 1980, 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements for the six months ending December 31, 2014 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual consolidated financial statements as at and for the year ended June 30, 2014 as filed on SEDAR at www.sedar.com. These condensed interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on March 2, 2015.

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements
For the Six Months Ended December 31, 2014
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)**Basis of measurement**

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as at fair value through profit or loss ("FVTPL") and available-for-sale that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. The Company believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

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(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

New Accounting Standards and Interpretations

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for the Company's fiscal years beginning on or after July 1, 2014. The following standards and interpretations are relevant to the Company's financial statements but are not yet effective:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is tentatively effective for the Company's fiscal period beginning July 1, 2018.

3. SHORT-TERM INVESTMENT

As at December 31, 2014, the Company has short-term investment of \$15,000 of principal (June 30, 2014 - \$221,588 including interest of \$1,588). The short-term investment has an annual yield of prime minus 1.8%

4. MARKETABLE SECURITIES

		December	
		31, 2014	June 30, 2014
	Cost	Fair Value	Fair Value
	\$	\$	
American Potash Corp (formerly Magna Resources Ltd.)			
- shares	8,000,000	426,313	640,000
- share purchase warrants	2,400,000	-	120,000
Balance	426,313	760,000	780,000

On December 19, 2012, the Company received an order from the Supreme Court of British Columbia approving the distribution of 21,086,656 Potash common shares to the Company's shareholders. The fair value of the 8,000,000 shares retained by the Company was determined at \$426,313 and recognized as marketable securities designated as available-for-sale instruments. During the six months ended December 31, 2014, the Company recognized an unrealized holding gain of \$160,000 (June 30, 2014 - \$400,000).

Subsequent to quarter-end, the Company sold 500,000 shares for gross proceeds of \$25,000.

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Notes to the Condensed Interim Financial Statements
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4. MARKETABLE SECURITIES (continued)

At distribution, the Company retained 2,400,000 share purchase warrants that were acquired during the business acquisition. These warrants were valued at \$120,000 at December 31, 2014 (June 30, 2014 - \$140,000) using the Black-Scholes pricing model using the following assumptions:

	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Dividend yield	0%	0%
Risk-free interest rate	1.01%	1.07%
Estimated volatility	183.67%	182.62%
Expected life in years remaining	1.17	1.67

5. RECEIVABLES

At December 31, 2014 and June 30, 2014 the Company's receivables consist of GST – value added tax.

6. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets of the Company are comprised as follows:

	<u>June 30,</u> <u>2013</u>	<u>Change</u>	<u>June 30,</u> <u>2014</u>	<u>Change</u>	<u>December 31,</u> <u>2014</u>
	\$	\$	\$	\$	\$
Newman Todd Project	10,817,065	1,408,273	12,225,338	106,421	12,331,759

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2014

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Newman Todd Project**

	June 30, 2013	Change	June 30, 2014	Change	December 31, 2014
	\$	\$	\$	\$	\$
Acquisition					
Cash payments	291,250	77,500	368,750	-	368,750
Share issuance	290,750	35,250	326,000	-	326,000
	582,000	112,750	694,750	-	694,750
Deferred exploration expenditure					
Advance payment	200,000	(200,000)	-	-	-
Assays and reports	1,178,386	149,712	1,328,098	28,139	1,356,237
Camp construction	115,276	-	115,276	-	115,276
Drilling	4,378,462	477,576	4,856,038	4,000	4,860,038
Environmental	121,425	163,272	284,697	5,973	290,670
Equipment installation	101,950	-	101,950	-	101,950
Field expenses	1,047,885	149,788	1,197,673	7,750	1,205,423
General administration	51,656	9,201	60,857	(1,736)	59,121
Metallurgy studies	75,706	41,791	117,497	15,065	132,562
Geological consulting	2,482,317	444,278	2,926,595	47,230	2,973,825
Permitting	2,706	783	3,489	-	3,489
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	15,230	17,870	33,100	-	33,100
Surveys and geophysics	7,068	8,000	15,068	-	15,068
Travel and Accommodation	446,998	33,252	480,250	-	480,250
	10,235,065	1,295,523	11,530,588	106,421	11,637,009
	10,817,065	1,408,273	12,225,338	106,421	12,331,759

Pursuant to an option agreement dated November 19, 2010 with Redstar Gold Corp. ("Redstar"), the Company was granted an option to acquire up to 70% of Redstar's Newman Todd project (the "Newman Todd Project"), located in the Red Lake Mining District of Northern Ontario.

During the year ended June 30, 2014, the Company completed the option to earn a 50% interest in the Newman Todd Project by paying the last installment of \$75,000 of the total \$250,000 required to be paid, issuing 150,000 shares, the last tranche of a total of 500,000 shares issued, and completing its requirement to incur a cumulative of \$5,000,000 of work expenditures on the Property.

To exercise the option to earn a further 20% interest, thereby increasing its overall interest to 70%, the Company will be required to produce, at its own cost, a preliminary assessment of the Property and issue a further 500,000 shares to Redstar on or before the sixth anniversary of the Agreement, subject to minimum annual expenditures of \$250,000 during the last three years of the option period. The parties also have agreed to form a joint venture following the exercise of the option by the Company. The Property is subject to a two percent net smelter return and a fifteen percent net carried interest. The latter interest does not receive payment until capital expenditures have been recovered with interest.

Subsequent to quarter-end, the Company filed its preliminary assessment.

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements
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(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

The Company also owns an effective 35% interest in certain other claims adjacent to the Newman Todd Project.

Confederation Lake (Mitchell & Belanger) Claims, Ontario

The Company holds certain claims located in the Red Lake Mining District of Ontario. These claims have a nominal carrying value.

7. PAYABLES AND ACCRUALS

	Note	December 31, 2014	June 30, 2014
		\$	\$
Trade		173,211	93,529
Due to related parties	9	136,684	5,779
		309,895	99,308

8. SHARE CAPITAL**a) Authorized:**

Unlimited common shares with no par value

b) Issued Share Capital:

At December 31, 2014, there were 66,278,532 common shares issued and outstanding (June 30, 2014 – 66,278,532).

c) Common Shares:**Fiscal 2014**

In July 2013, 350,000 shares were issued when 350,000 stock options were exercised for proceeds of \$87,500.

In October 2013, the Company issued 150,000 shares at a fair value of \$0.235 per share for the Newman Todd project. See note 6 for details.

In November 2013, 500,000 shares were issued when 500,000 warrants were exercised for proceeds of \$75,000.

d) Share-based Payments

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies. The options can be granted for a maximum term of 5 years.

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2014

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

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 in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

During six months ended December 31, 2014, the Company granted nil (2013: – 500,000) stock options with a weighted average exercise price per option granted of \$nil (2013: \$0.24) and recorded share-based payment expense of \$nil (2013 – \$52,000).

The continuity of stock options for the six months ended December 31, 2014 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price (\$)
Balance June 30, 2013	5,050,000	0.49
Granted, expired unexercised on July 4, 2014	500,000	0.24
Exercised	(350,000)	0.25
Forfeited	(200,000)	0.45
Balance June 30, 2014	5,000,000	0.48
Expired	(500,000)	0.24
Balance December 31, 2014	4,500,000	0.51

The options outstanding and exercisable at December 31, 2014, are as follows:

Number Outstanding	Exercise Price (\$)	Remaining Contractual Life (Years)
300,000	0.25	0.88
1,050,000	0.45	1.10
250,000	0.69	1.15
150,000	0.84	1.57
2,000,000	0.57	2.08
400,000	0.54	2.21
200,000	0.22	0.25
150,000	0.30	0.25
4,500,000		1.57

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements
 For the Six Months Ended December 31, 2014
 (Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

The fair value of share options awarded to officers, directors and consultants was estimated on the dates of award using the Black-Scholes option pricing model with the following assumptions:

Six Months ended December 31,	2014	2013
Dividend yield	-	0%
Risk-free interest rate	-	1.2%
Estimated volatility	-	114%
Expected life in years	-	1
Weighted average grant date value	-	0.24

f) Warrants

There are no warrants outstanding at December 31, 2014.

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions recorded as consulting fees relating to key management personnel and entities which they have control or significant influence were as follows:

Services provided by:	Notes	Three Months Ended December 31,		Six Months Ended December 31,	
		2014	2013	2014	2013
		\$	\$	\$	\$
Lawrence Dick	(a)	30,000	30,000	60,000	60,000
Brian Bapty	(b)	-	37,750	12,500	75,000
Primarius Capital Corp.	(c)	30,000	30,000	60,000	60,000
Baron Global Financial Canada Ltd.	(d)	30,000	30,000	60,000	60,000

(a) Lawrence Dick, the CEO of the Company provided management services throughout the period.

(b) Brian Bapty, the President of the Company received management salaries for the period.

(c) Primarius Capital Corp. is a privately held corporation controlled by a director, which provides consulting services to the Company.

(d) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.

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Notes to the Condensed Interim Financial Statements
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 (Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Related party payables:

	December 31, 2014	June 30, 2013
	\$	\$
Lawrence A. Dick Consulting	52,500	-
Brian Bapty	-	1,306
Baron Global Financial Canada Ltd.	31,684	4,473
Primarius Capital Corp.	52,500	-

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended December 31, 2014 and 2013 was as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2014	2013	2014	2013
Loss for the period	(\$142,309)	(\$461,580)	(\$383,525)	(\$688,719)
Weighted average number of common shares outstanding	66,278,532	66,042,662	66,278,532	65,818,478
	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.01)

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS:

Supplementary disclosure of non-cash investing and financing activities during the six months ended December 31, 2014 and 2013 were as follows:

For the Six Months Ended December 31,	2014	2013
	\$	\$
Mineral property expenditures included within accounts payable	38,084	106,395

CONFEDERATION MINERALS LTD.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2014

(Expressed in Canadian Dollars)

12. COMMITMENTS

In March 2012 the Company entered into three consulting agreements with three different related parties to provide business consulting services. Each of the three consultants will be paid a monthly fee of \$10,000 for an indefinite term. If any of the consulting agreements are terminated the party will receive \$240,000.

13. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets within Canada.

14. EVENTS AFTER THE REPORTING PERIOD

Subsequent to quarter-end, the Company completed a preliminary economic assessment of the property and issued 500,000 shares to Redstar in furtherance of the exercise of its option to earn an additional interest in the Newman Todd Project as previously announced.