MillenMin Ventures Inc.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MAY 31, 2012

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 interim financial statements for the three months ended May 31, 2012 and 2011 have been prepared by the management in accordance with International Financial Reporting Standards and approved by the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's auditors.

MillenMin Ventures Inc.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	May 31, 2012	February 29, 2012
ASSETS		
Current		
Cash and cash equivalents	**$ 768,117**	$ 279,784
Short term investment (Note 7)	**101,838**	101,659
Sales tax receivables	**20,417**	13,872
	890,372	395,315
Mineral Property (Note 8)	**55,655**	-
	$ 946,027	$ 395,315
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 48,667**	$ 15,255
Equity		
Share capital (Note 9)	**1,042,342**	463,295
Warrants (Note 9(f))	**27,057**	-
Share compensation reserves (Note 9(g))	**47,165**	47,165
Deficit	**(219,204)**	(130,400)
	897,360	380,060
	$ 946,027	$ 395,315

Nature of Operations (Note 1)
Commitments (Note 10)

Approved on behalf of the board

(Signed) "Kenny Wan" | *(Signed)"Sheng Wang*

"Kenny Wan" | *"Sheng Wang"*

Director | Director

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

MillenMin Ventures Inc.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Expressed in Canadian Dollars)

		Three Months Ended May 31, 2012		Three Months Ended May 31, 2011
Expenses				
Professional fees	**$**	**62,146**	$	9,607
Office and general expenses		**1,834**		667
Transfer agent and filing fees		**21,953**		3,930
Travel expenses		**3,050**		-
Share-based payments		**-**		5,461
Total Expenses	**$**	**(88,983)**	$	(19,665)
Other Income				
Interest income		**179**		316
Net (loss) and comprehensive (loss) for the year		**(88,804)**		(19,349)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.00)
Weighted average number of common shares outstanding - basic and diluted		**6,238,462**		4,000,000

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

MillenMin Ventures Inc.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Warrants	Share Compensation Reserves	Deficit	Total
		$	$	$	$	$
Balance, February 28, 2011	4,000,000	186,385	-	41,692	(71,289)	156,788
Share-based payments	-	-	-	5,461	-	5,461
Net loss for the year	-	-	-	-	(19,349)	(19,349)
Balance, May 31, 2011	4,000,000	186,385	-	47,153	(90,638)	142,900
Balance, February 29, 2012	6,000,000	463,295	-	47,165	(130,400)	380,060
Shares issued for cash	3,000,000	572,943	-	-	-	572,943
Shares issued for mineral property	100,000	10,000	-	-	-	10,000
Share issuance costs	-	(3,896)	-	-	-	(3,896)
Warrants	-	-	27,057	-	-	27,057
Net loss for the year	-	-	-	-	(88,804)	(88,804)
Balance, May 31, 2012	**9,100,000**	**1,042,342**	**27,057**	**47,165**	**(219,204)**	**897,360**

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

MillenMin Ventures Inc.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited – Expressed in Canadian Dollars)

		Three Months Ended May 31, 2012		Three Months Ended May 31, 2011
CASH FLOWS USED IN OPERATING ACTIVITIES:				
Net loss for the period	$	**(88,804)**	$	(19,349)
Adjustment for items not involving cash:				
Share-based payments		**-**		5,461
Accrued interest income		**(179)**		(315)
Changes in non-cash working capital:				
Increase in sales tax receivables		**(6,545)**		(1,527)
Increase (decrease) in accounts payable and accrued liabilities		**33,412**		(6,882)
Net cash flows used in operating activities		**(62,116)**		(22,612)
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Mineral property		**(45,655)**		-
Net cash flows used in investing activities		**(45,655)**		-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issuance of common shares and share purchase warrants		**600,000**		-
Share issuance costs		**(3,896)**		-
Net cash flows from financing activities		**596,104**		-
Increase (decrease) in cash and cash equivalents		**488,333**		(22,612)
Cash and cash equivalents, beginning of period		**279,784**		56,604
Cash and cash equivalents, end of period		**768,117**		33,992
Supplemental disclosure with respect to cash flows:				
Interest paid in cash	$	**-**	$	-
Income tax paid in cash	$	**-**	$	-
Value of shares issued for mining property	$	**10,000**	$	-

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

1. NATURE OF OPERATIONS

MillenMin Ventures Inc. (the "Company") was incorporated under the Canada Business Corporations Act on August 10, 2009. The head and registered office of the Company is located at 133 Richmond Street W, Suite 203 Toronto, Ontario M5H 2L3. These unaudited condensed interim financial statements of the Company for the three months ended May 31, 2012 were authorized for issuance in accordance with a resolution of the directors on July 25, 2012.

The Company was a Capital Pool Company as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. On May 25, 2012, the Company completed and received final Exchange Bulletin for its Qualifying Transaction (the "QT"), and resumed trading as a Tier 2 mining company under the symbol "MVM", on May 28, 2012. The Company's principal business activity is the acquisition, exploration and development of mineral properties. As at May 31, 2012, the Company was planning its exploration activities on its only mineral property - Windpass Gold property (the "Property") located in British Columbia. The Property is in the early exploration and presently contains no mineral resources or mineral reserves.

2. BASIS OF PREPARATION

a) Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("IAS 34), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these interim financial statements are the same as those applies in the Company's annual financial statements as at and for the year ended February 29, 2012. The condensed interim financial statements do not include all of the information required for full annul financial statements.

b) Going Concern

These condensed interim financial statements have been prepared by management on the basis of IFRS applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The Company is in the process of exploring its mineral properties and has not yet determined whether the property contains reserves that are economically recoverable. The Company's ability to continue as a going concern and the recoverability of the amounts capitalized for mineral properties and related deferred exploration expenditures are dependent upon the ability of the Company to raise additional financing in order to complete the exploration and development of its resource properties and acquire additional mineral properties, the discovery of economically recoverable reserves, the attainment of future profitable production or proceeds from disposition of the Company's resource properties. The outcome of these matters cannot be predicted at this time.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

In particular, judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at May 31, 2012 and February 29, 2012 the cash and cash equivalents consist of cash only.

Short term investments

Short term investment, which is fixed term deposit held at the bank with a maturity of more than three months at the time of issuance, is recorded at fair value.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Financial Assets

Financial assets are classified into one of four categories:

i. Fair value through profit or loss;
ii. Held-to-maturity;
iii. Available-for-sale; and
iv. Loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. The Company has classified cash and cash equivalents and short term investment as fair value through profit or loss.

i. Fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL, if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets (continued)

ii. Held-to-maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. Subsequent to initial recognition, these assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

iii. Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes therein, other than impairment losses, interest calculated using the effective interest method and foreign currency differences on AFS monetary items, recognized in other comprehensive income or loss. When an investment is derecognized or is determined to be impaired, the cumulative gain or loss previously recognized in equity is transferred to profit or loss for the period.

iv. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as an objective evidence of impairment could include the following:

- Significant financial difficulty of the issue or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganization.

For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets (continued)

When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss I recognized directly in equity.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

<u>Derecognition of financial assets</u>
Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i *FVTPL*
This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

ii *Other financial liabilities*
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and accrued liabilities as other financial liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities and Equity (continued)

Derecognition of financial liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Income Taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted-average number of shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Comprehensive Income (Loss)

Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which IFRS requires be recognizing in a period, but excluding from net income for that period. The Company has no other comprehensive income during the period ended May 31, 2012 and May 31, 2011.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The stock option plan allows Company's directors, officers and technical consultants to acquire shares of the Company. The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is measured at grant date and the share based compensation is expensed based on graded vesting. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the share purchase options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. Forfeiture rates are estimated in advance and are used in the estimate of the share-based expense for the financial statement period. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the non-employee receives the goods or the services.

Exploration and Evaluation Assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property assets within property, plant, and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Property, Plant, and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is primarily calculated using the declining balance method applying the following annual rates:

Computer Equipment and Software	–	30%
Vehicles	–	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

At the end of each reporting period, the Company assesses all cash generating units to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Decommissioning, restoration and similar liabilities ("Asset retirement obligation")

The Company records the present value of estimated costs of legal and constructive obligations required to restore the site in the period in which the obligation is incurred. The nature of these restoration activities include dismantling and removing structures, rehabilitating mines and tailings dam, dismantling facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas.

The future obligations for well closure activities are estimated by the Company using well closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. Since the obligations are dependent on the laws and regulations of the countries in which the wells operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies.

As the estimate of the obligations is based on future expectations, a number of assumptions and judgments are made by Management in the determination of closure provisions. The closure provisions are more uncertain the further into the future the well closure activities are to be carried out.

The present value of decommissioning and site restoration provision as a long term liability as incurred and records an increase in the carrying value of the related asset by a corresponding amount. The provision is discounted using a nominal, risk free pre-tax discount rate. Charges for accretion and restoration expenditures are recorded as operating activities. The related decommissioning provision is recorded as part of the mineral property and depreciated accordingly. In subsequent periods, the carrying amount of the liability is accreted by a charge to the statement of operations to reflect the passage of time and the liability is adjusted to reflect any changes in the timing of the underlying future cash flows.

Changes to the obligation resulting from any revisions to the timing or amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease in the decommissioning provision, and a corresponding change in the carrying amount of the related long lived asset. Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, or provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the statement of operations.

The Company has no asset retirement obligations recognized as of May 31, 2012 and February 29, 2012

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the May 31, 2012 reporting period. The following new standards, amendments and interpretations that have not been early adopted in these financial statements:

IFRS 9 Financial Instruments

IFRS 9 Financial instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace lAS39 Financial Instruments: Recognition and Measurement ("lAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in lAS39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also required a single impairment method to be used, replacing the multiple impairment methods in lAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company is currently evaluating the impact on its financial statements.

IFRS 10 Consolidated Financial Statements

On May 12, 2011 the IASB issued IFRS 10 Consolidated Financial Statements. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation - Special Purpose Entities and lAS 27 Consolidated and Separate Financial Statements and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact on its financial statements.

IFRS 11 Joint Arrangements

On May 12, 2011 the IASB issued IFRS 11 Joint Arrangements. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact on its financial statements.

IFRS 12 Disclosure of Interests in Other Entities

On May 12, 2011 the IASB issued IFRS 12 Disclosure of Interests in Other Entities. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact on its financial statements.

IFRS 13 Fair Value Measurement

On May 12, 2011 the IASB issued IFRS 13 Fair Value Measurement. IFRS 13, which is effective from January 1, 2013, defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). The Company is currently evaluating the impact on its financial statements.

5. CAPITAL MANAGEMENT

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 property interests. 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 Company considers capital to consist of shareholders' equity.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient 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.

6. FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial instruments recorded at fair value

The Company's financial assets consist of cash and cash equivalents and short term investment. The estimated fair values of cash and cash equivalents and short term investment approximate their respective carrying values due to the short period to maturity. The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements – Financial Instruments – Disclosures.

For the period ended May 31, 2012, the fair value of cash and cash equivalents and short term investment were measured using Level 1 inputs.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

Risk factors

The Company has exposure to liquidity risk, market risk, and credit risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash and cash equivalents are currently invested in savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2012, the Company had cash and cash equivalents of $768,117 (February 29, 2012- $279,784), short term investment of $101,838 (February 29, 2012- $101,659) and sales tax receivables of $20,417 (February 29, 2012- $13,872), against the total current liabilities of $48,667 (February 29, 2012- $15,255). The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements.

6. FINANCIAL INSTRUMENTS (continued)

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short-term interest rate through the interest earned on cash and cash equivalents and short term investment balances; however, management does not believe this exposure is significant.

The Company invests part of the cash balance in a fixed rate term deposit at rate of 0.7% per annum (February 29, 2012 – 0.7% per annum). Any change to market rates result in interest rate risk. The exposure to interest rate risk, however, is limited due to the short term nature of term deposit.

ii. Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. Occasional transactions may occur internationally giving rise to exposure to changes in foreign exchange rates. The currency risk is derived primarily from payments related to investing activities denominated in currencies other than the Canadian dollar. To limit the impact of fluctuations of the Canadian dollar over the foreign currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

(c) Credit risk

Credit risk is the potential risk of loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and cash equivalents and short term investment. The Company limits its exposure to credit risk by holding its cash and cash equivalents and short term investment in deposits with high credit quality Canadian financial institutions.

7. SHORT TERM INVESTMENT

Short term investment consists of fixed term deposit in financial institutions with a one-year term and interest rate at 0.7% per annum. As at May 31, 2012, the Company accrued an interest receivable of $179 (February 29, 2012 - $134), which was included in short term investment of $101,838 (February 29, 2012 - $101,659).

8. MINERAL PROPERTY

Windpass Gold property – British Columbia

On March 7, 2012, the Company entered into an option agreement (the "Option Agreement") with Nevada Clean Magnesium Inc. ("Nevada CMI") (formerly Molycor Gold Corp.), pursuant to which the Company had the exclusive right and option to acquire an undivided 70% of Nevada CMI's 100% owned undivided interest in the Windpass Gold property (the "Property") situated on Thompson Plateau area of central British Columbia by paying an aggregate of $120,000 in cash, incurring $750,000 in aggregate exploration expenditures on the property and issuing 400,000 common shares of the Company over a four year period. The Property is subject to a 3% net smelter returns royalty in favour of third parties, which may be bought out for the aggregate amount of $300,000. A finder's fee of $2,000 is payable by Nevada CMI to John Chalcraft, an arm's-length party to the Company and Nevada CMI, in respect of the QT.

8. MINERAL PROPERTY (continued)

Windpass Gold property – British Columbia (continued)

Pursuant to the Option Agreement, the Company has to make payments in the following schedule:

	Cash	Exploration Expenditures	Shares
Upon signing of the Option Agreement (paid) (i)	$ 10,000	$ -	-
Upon acceptance of QT on May 25, 2012 (paid) (ii)	10,000	-	-
Common shares upon acceptance of QT (issued) (iii)	-	-	100,000
On or before May 25, 2013	-	200,000	-
On or before May 25, 2014	20,000	200,000	100,000
On or before May 25, 2015	40,000	200,000	100,000
On or before May 25, 2016	40,000	150,000	100,000
	$ 120,000	$ 750,000	400,000

(i) On March 7, 2012, the Company made cash payment of $10,000 to Nevada CMI upon signing of the Option Agreement.

(ii) The Company made cash payment of $10,000 to Nevada CMI upon the final acceptance of the Company's QT (as defined in the policies of the Exchange) by the Exchange dated May 25, 2012.

(iii) The Company issued 100,000 common shares to Nevada CMI upon acceptance of QT on May 25, 2012. These shares are subject to a hold period till September 25, 2012.

As at May 31, 2012, the Company had an expenditure of $55,655 on the Windpass Gold Property (February 29, 2012 - $Nil), of which $10,000 was accounted for the 100,000 shares issued and $45,655 for the Property acquisition cost and geological report preparation cost.

9. SHARE CAPITAL

a) The Company is authorized to issue an unlimited number of common shares with no par value.

b) Issued and outstanding common shares:

	Number of shares	Amount ($)
Opening balance, August 10, 2009	-	-
Issuance of shares at $0.05 per share	2,000,000	100,000
Balance, February 28, 2010	2,000,000	100,000
Issuance of shares at $0.10 per share	2,000,000	200,000
Share issuance costs	-	(113,615)
Balance, February 28, 2011	4,000,000	186,385
Issuance of shares at $0.15 per share	2,000,000	300,000
Share issuance costs	-	(23,090)
Balance, February 29, 2012	6,000,000	463,295
Issuance of shares at $0.20 per unit	3,000,000	600,000
Value ascribed to warrants	-	(27,057)
Share issuance costs	-	(3,896)
Issuance of shares for mineral property acquisition	100,000	10,000
Balance, May 31, 2012	9,100,000	1,042,342

9. SHARE CAPITAL (continued)

b) Issued and outstanding common shares (continued)

During the period ended February 28, 2010, the Company issued 2,000,000 seed common shares at a price of $0.05 per share for total proceeds of $100,000. On May 7, 2010, the Company completed its initial public offering (the "IPO") of 2,000,000 common shares, at a price of $0.10 per common share, for aggregate gross proceeds of $200,000.

On September 28, 2011, the Company closed a non-brokered private placement (the "Private Placement") of 2,000,000 common shares at a price of $0.15 per common share for aggregate gross proceeds of $300,000. The Private Placement was subscribed by several private investors and MillenAsia Resources Inc. ("MillenAsia") that is wholly-owned by Li Liu, the spouse of Shunyi Yao, who is the Chief Executive Officer and a director of the Company. A finder's fee of $9,000 was paid in connection with the Private Placement. The common shares issued pursuant to the Private Placement were subject to a four (4) month hold period that expired on January 29, 2012.

On May 24, 2012, the Company closed a non-brokered private placement (the "Private Placement") of 3,000,000 units (the "Units") of the Company at $0.20 per unit for aggregate gross proceeds of $600,000. Each unit consisted of one common share and one half share purchase warrant (each, a "Warrant") exercisable at $0.25 per share until May 24, 2012 and thereafter a $0.40 per share until May 24, 2014. MillenAsia purchased the entire 3,000,000 Units. The 3,000,000 common shares and 1,500,000 Warrants pursuant to the private placement are held in escrow pursuant to Exchange Tier 2 Value Escrow Agreement.

On May 25, 2012, the Company issued 100,000 common shares to Nevada CMI in connection with its QT (see note 8). These shares are subject to a hold period till September 25, 2012.

c) Escrowed shares

As at May 31, 2012, 5,400,000 (February 29, 2012 – 3,000,000) shares were held in escrow. Under the escrow agreements, 10% of the shares were released (600,000) on the issuance of the Final Exchange Bulletin on May 24, 2012, and an additional 15% (900,000) are released every six months thereafter for a period of thirty-six months.

d) Stock options

On May 7, 2010, the Company granted incentive stock options (the "Stock Options") to acquire an aggregate of 400,000 common shares at an exercise price of $0.10 per option, which is equal to the market price at grant date, to the directors and officers of the Company, which expire 5 years from the date of grant. The 25% of the Stock Options will vest immediately on the date of grant, with 25% of the Stock options vesting every 6 months thereafter until all Stock Options are vested.

Under the Black-Scholes, the fair value of the Stock Options granted was estimated to be $0.08 per share with the following assumptions at the measurement date: average risk free interest rate of 2.55%; expected life of 5 years; expected volatility of 125.13% and expected dividends of $Nil. During the year ended February 29, 2012, the Company recorded share-based payments of $5,473 (2011: $28,455). The following is the summary of the Stock Options as at May 31, 2012:

	Number of options	Weighted average exercise price	
Balance, March 1, 2010	-	$	-
Stock options granted	400,000	$	0.10
Balance, February 28, 2011	400,000	$	0.10
Stock option granted	-		-
Stock option exercised	-		-
Balance, February 29, 2012 and May 31, 2012, outstanding and exercisable	400,000	$	0.10

As at May 31, 2012, stock options of 400,000 were outstanding and exercisable with a remaining life of 2.94 years, and no options were exercised.

9. SHARE CAPITAL (continued)

e) Agent's options

In connection with the IPO, Leede Financial Markets Inc. (the "Agent") received a corporate finance fee, and a cash commission equal to 10% of the gross proceeds of the IPO and a non-transferable option to acquire 200,000 common shares of the Company at an exercise price of $0.10 per share, which is equal to the market price at the grant date, vested immediately and for a period of 24 months from the date the Company's common shares commenced trading on the Exchange on May 14, 2010. Under the Black-Scholes, the fair value of Agent's options issued at the date of the issue was estimated to be $0.07 per share with the following assumptions at the measurement date: average risk free interest rate of 1.62%; expected life of 2 years; expected volatility of 133.92% and expected dividends of $nil. The Company recognized share-based payments of $13,237 and included in share issuance costs in connection with the IPO in fiscal year 2011. A summary of stock option activity as at May 31, 2012 is as follows:

	Number of options		Weighted average exercise price
Balance, March 1, 2010	-	$	-
Agent's options granted	200,000	$	0.10
Balance, February 28, 2011 and February 29, 2012	200,000	$	0.10
Agent's options expired	(200,000)	$	0.10
Balance, May 31, 2012	-	$	-

As at May 31, 2012, all of the 200,000 agent's options were expired.

f) Warrants

Under IFRS, the Company has allocated the proceeds from financings to the shares and warrants using the Black-Scholes valuation model to determine a fair value for the warrant and the market value of the shares.

Pursuant to the non-brokered private placement closed on March 24, 2012, the Company issued 1,500,000 share purchase warrant exercisable at $0.25 per share until May 24, 2012 and thereafter a $0.40 per share until May 24, 2014 to MillenAsia (see Note 9(b)). Using the Black-Scholes model, the fair value of purchase warrants was estimated to be $0.015 per share purchase warrant with the following assumptions at the measurement date: average risk free interest rate of 1.14%, expected life of 2 years, expected volatility of 86%, and expected dividends of $ nil. The Company recognized fair value of the share purchase warrants of $27,057 as at May 31, 2012. Pursuant to the Exchange Tier 2 Value Escrow Agreement, the 1,500,000 share purchase warrants were escrowed upon issuance with the same escrow schedule as the escrowed shares. Under the share purchase warrant escrow agreements, 10% of the share purchase warrants have been released (150,000) on the issuance of the Final Exchange Bulletin on May 25, 2012, and an additional 15% (225,000) are released every six months thereafter for a period of thirty-six months.

As at May 31, 2012, there were 1,500,000 (February 29, 2012 – Nil) share purchase warrants issued and outstanding with 1,350,000 share purchase warrants in escrow:

Expiry			Exercise Price	Number
Balance, February 29, 2012			-	-
				1,500,000
May 24, 2013	First year	$	0.25	-
May 24, 2014	Second year	$	0.40	-
Balance, May 31, 2012				1,500,000

9. SHARE CAPITAL (continued)

g) Share Compensation Reserves

A reconciliation of share compensation reserves is provided below:

		Amount
Balance, March 1, 2010	$	-
Agent's options		13,237
Directors' stock options		28,455
Balance, February 28, 2011		41,692
Directors' stock options		5,473
Balance, February 29, 2012 and May 31, 2012	$	47,165

10. COMMITMENTS

Pursuant to the Option Agreement Nevada CMI, the Company has committed, over a four year period, to:

i. incur $750,000 in aggregate exploration expenditures on the Windpass Gold property; and

ii. make cash payments of $120,000 (of which $20,000 were paid) and issue 400,000 common shares (of which 100,000 common shares were issued) to Nevada CMI. (see Note 8).

11. RELATED PARTY TRANSACTIONS

Except for the private placement closed on March 24, 2012 of 3,000,000 units subscribed by MillenAsia at a price of $0.20 per unit (see Note 9(b)), there has been no related party transactions during the three months ended May 31, 2012.