



Leader en exploration pétrolière au Québec



FIRST QUARTER

Condensed unaudited interim
financial statements

for the three-month period ended
December 31, 2012



CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

December 31, 2012

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**CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
DECEMBER 31, 2012**

Declaration Concerning the Interim Financial Statements

Management prepared Pétrolia Inc.'s condensed interim financial statements, which include the statements of financial position as at December 31, 2012 and September 30, 2012, as well as the statements of comprehensive income, statements of changes in equity and the statements of cash flows for the periods ended December 31, 2012 and December 31, 2011. No auditing firm has examined or audited these interim financial statements.



STATEMENTS OF FINANCIAL POSITION
(Unaudited – in Canadian dollars)

	As at December 31, 2012 \$	As at September 30, 2012 \$
ASSETS		
Current		
Cash and cash equivalents (Note 3)	6,414,870	10,242,262
Receivables (Note 4)	7,917,730	5,086,302
Prepaid expenses	131,453	113,074
Inventories	-	51,470
Investments cashable during the next fiscal year (Note 5)	930,000	1,080,000
	15,394,053	16,573,108
Non-current		
Deposit on exploration costs	2,100,000	2,100,000
Property, plant and equipment (Note 7)	1,026,284	1,031,975
Exploration and evaluation assets (Note 6)	38,471,402	32,695,097
	41,597,686	35,827,072
	56,991,739	52,400,180
LIABILITIES		
Current		
TRADE AND OTHER PAYABLES (Note 8)	6,903,857	3,027,306
Provision for site restoration (Note 9)	98,000	98,000
	7,001,857	3,125,306
Non-current		
Deferred lease inducements	93,619	100,469
Provision for site restoration (Note 9)	287,938	287,938
Other liabilities	243,503	-
Deferred tax liabilities	1,098,677	1,224,584
	1,723,737	1,612,991
	8,725,594	4,738,297
EQUITY		
Share capital (Note 10)	52,243,701	54,378,040
Other components of equity	3,906,628	3,026,923
Deficit	(7,884,184)	(6,743,080)
	48,266,145	47,661,883
	56,991,739	52,400,180

Contingencies (Note 12)

Supplementary notes are an integral part of the interim financial statements

On behalf of the Board

(signed) *André Proulx*
Director

(signed) *Jaques L. Drouin*
Director



STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited – in Canadian dollars)

	For the three months ended December 31,	
	2012 \$	2011 \$
INCOME		
Rental income	2,994	2,994
Project management	-	16,276
	2,994	19,270
ADMINISTRATIVE EXPENSES (Appendix A)	1,515,922	909,056
OPERATING EXPENSES (Appendix B)	(212,945)	33,602
FINANCIAL INCOME AND EXPENSES (Appendix C)	(36,543)	(49,945)
	1,266,434	892,713
LOSS BEFORE OTHER ITEMS AND INCOME TAXES	(1,263,440)	(873,443)
OTHER ITEMS		
Gain (loss) on disposal of interest in certain licences	-	(494,486)
Gain (loss) on disposal of assets	(3,571)	-
INCOME (LOSS) BEFORE TAXES	(1,267,011)	(1,367,929)
Deferred tax expense	(125,907)	(217,287)
NET INCOME (NET LOSS) AND COMPREHENSIVE INCOME FOR THE PERIOD	(1,141,104)	(1,150,642)
BASIC NET EARNINGS (NET LOSS) PER SHARE	(0.017)	(0.022)
DILUTED NET EARNINGS (NET LOSS) PER SHARE	(0.017)	(0.022)



STATEMENTS OF CHANGES IN EQUITY
(Unaudited – in Canadian dollars)

	Share capital	Contributed surplus	Deficit	Total equity
	\$	\$	\$	\$
Audited balance at September 30, 2011	35,432,271	2,395,117	(3,724,047)	34,103,341
Warrants exercised	344,137	-	-	344,137
Share-based payment	-	558,992	-	558,992
Comprehensive income	-	-	(1,150,642)	(1,150,642)
Unaudited balance at December 31, 2011	35,776,408	2,954,109	(4,874,689)	33,855,828
Audited balance at September 30, 2012	51,378,040	3,026,923	(6,743,080)	47,661,883
Warrants exercised	-	-	-	-
Exercise of options	78,601	(34,201)	-	44,400
Shares issued	880,357	-	-	880,357
Share issuance costs	(93,297)	-	-	(93,297)
Share-based payment	-	913,906	-	913,906
Net and comprehensive loss	-	-	(1,141,104)	(1,141,104)
Unaudited balance at December 31, 2012	52,243,701	3,906,628	7,884,184	48,266,145



STATEMENTS OF CASH FLOWS
(Unaudited – in Canadian dollars)

	For the three months ended December 31,	
	2012	2011
	\$	\$
OPERATING ACTIVITIES		
Net income (net loss)	(1,141,104)	(1,150,642)
Items not affecting cash:		
Depreciation of property, plant and equipment	75,586	62,354
Deferred tax expense	(125,907)	(217,287)
Share-based payment	804,420	558,992
Depreciation of deferred rental incentives	(6,850)	4,848
	(393,855)	(741,735)
Net change in non-cash working capital items:		
Receivables	(242,611)	(117,390)
Prepaid expenses	(18,379)	31,323
Inventories	51,470	6,642
Trade and other payables	(250,353)	(18,072)
	(459,873)	(97,497)
FINANCING ACTIVITIES		
Issuance of shares	924,757	344,136
Share issuance costs	(93,297)	-
Repayment of bank debt	-	(2,243,310)
	831,460	(1,899,174)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(74,471)	(73,237)
Acquisition of investments	-	-
Disposal of investments	150,000	-
Disposal of property, plant and equipment	4,576	-
Acquisition of oil and gas properties	-	(1,590,300)
Increase in deferred exploration expenses net of deductions	(3,885,229)	3,784,159
	(3,805,124)	2,120,622
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,827,392)	(617,784)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,242,262	8,151,034
CASH AND CASH EQUIVALENTS, END OF PERIOD (Note 3)	6,414,870	7,533,250
CASH AND CASH EQUIVALENTS ARE MADE UP OF THE FOLLOWING:		
Cash	2,010,538	748,919
Guaranteed investment certificates (redeemable at any time)	4,404,332	6,784,331
Money market fund	-	-
	6,414,870	7,533,250

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

1. CONDENSED INTERIM FINANCIAL INFORMATION

The financial information as at December 31, 2012 for the periods ended December 31, 2012 and 2011 is not audited. However, it is management's opinion that all adjustments required to give a faithful picture of the results for these periods have been included. The adjustments made were of a normal recurring nature. The interim operating results do not necessarily reflect the operating results anticipated for the full fiscal year.

2. BASIS FOR THE PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB") that apply to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting." The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the fiscal year ended September 30, 2012, which were prepared in accordance with the IFRS published by the IASB.

All amounts are expressed in Canadian dollars.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following items:

	As at December 31, 2012 \$	As at September 30, 2012 \$
Cash (bank overdraft)	2,010,538	(1,872,572)
Guaranteed investment certificates	4,404,332	4,254,331
Money market fund	-	7,860,503
Less: cash held for exploration (1)	1,123,860	-
Cash and cash equivalents	5,291,010	10,242,262

(1) Cash held for exploration represents proceeds from financing not yet incurred related to flow-through shares. According to restrictions imposed under financing arrangements, the Company must allocate these funds to the exploration of oil properties.

On December 31, 2012, cash and cash equivalents included guaranteed investment certificates with interest between 1.25% and 1.75% (1.75% and 2.4% on September 30, 2012), expiring between December 22, 2013 and May 8, 2013. These instruments are cashable at any time without penalty.

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

4. RECEIVABLES

	As at December 31, 2012 \$	As at September 30, 2012 \$
Partner	557,382	510,256
Consumer tax credits	1,225,175	1,056,880
Tax credits receivable	5,950,648	3,408,957
Interest receivable	4,421	94,949
Other	180,104	15,260
	7,917,730	5,086,302

Tax credits relate to claims that have not yet been examined by tax authorities.

All amounts show short-term maturities. Their net carrying value corresponds to a reasonable approximation of their fair value.

5. INVESTMENTS

	As at December 31, 2012 \$	As at September 30, 2012 \$
Guaranteed investment certificate, 2.40%, cashable at any time and expiring December 2012	-	1,080,000
Guaranteed investment certificate, 1.252 %, cashable and expiring December 2013	930,000	-
	930,000	1,080,000

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

6. EXPLORATION AND EVALUATION ASSETS

Oil and gas properties	September 30, 2012 \$	Write-off \$	Additions \$	December 31, 2012 \$
Quebec				
Anticosti ¹	340,875	11,572	-	329,303
Gastonguay	690,300	-	-	690,300
Gaspésia – Edgar – Marcel – Tremblay	426,950	-	-	426,950
Gaspé ¹	3,290,457	-	40,328	3,330,785
New Brunswick				
Dalhousie	139,526	-	-	139,526
Oil and gas property totals	4,888,108	11,572	40,328	4,916,864
Exploration expenses	September 30, 2012 \$	Write-off \$	Additions \$	December 31, 2012 \$
Quebec				
Anticosti	7,466,997	-	878,029	8,345,026
Gastonguay	75,037	-	39	75,076
Gaspésia – Edgar – Marcel – Tremblay	3,770,234	-	3,303	3,773,537
Gaspé	2,662,493	16,069	-	2,646,424
Bourque project	11,168,542	-	8,103,287	19,271,829
Haldimand project	13,343,595	-	605,145	13,948,740
Tar Point No. 1 project	5,284,223	-	7,331	5,291,554
New Brunswick				
Dalhousie	861,716	-	56,456	918,172
	44,632,837	16,069	9,653,590	54,270,358
Less:				
Exploration subsidies and partner contributions:				
Anticosti	3,012,402	-	625,654	3,638,056
Gastonguay	18,909	-	-	18,909
Gaspésia – Edgar – Marcel – Tremblay	423,091	-	157	423,248
Gaspé	644,933	-	13,150	658,083
Bourque project	5,684,276	-	2,821,938	8,506,214
Haldimand project	5,699,488	-	378,904	6,078,392
Tar Point No. 1 project	1,089,615	-	567	1,090,182
Dalhousie	6,922	-	-	6,922
	16,579,636	-	3,840,370	20,420,006
Income from evaluation of oil reserves:				
Gaspé				
Haldimand project	246,212	-	49,602	295,814
Total exploration expenses	27,806,989	16,069	5,763,618	33,554,538

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

Summary as at December 31, 2012	September 30, 2012 \$	Write-off \$	Additions \$	December 31, 2012 \$
Properties	4,888,108	11,572	40,328	4,916,864
Exploration expenses	27,806,989	16,069	5,763,618	33,554,538
Exploration and evaluation assets	32,695,097	27,641	5,804,246	38,471,402

- (1) Properties with the reference (1) are subject to royalties should they become productive. To date, the Company has satisfied all required obligations and lists only its future or potential obligations and special transactions of the year below.

Gaspé properties

In May 2008, Pétrolia acquired a 100% interest in a 6,043-km² surface area of these properties (excluding the Haldimand property), subject to a royalty of 0.5% to 2.5% on the future production of hydrocarbons. In June 2010, the Company carried out an asset exchange, increasing its interest to 100% in all Gaspé leases, a 150-km² territory, with the exception of a 9-km² zone in which it holds a 64% interest (Haldimand property). On December 20, 2010, the Company signed definitive agreements for the sale of 50% of its interests in the Haldimand discovery as well as in 13 leases surrounding this discovery to Québénergie Inc. (subsidiary of Investcan) for the sum of \$15,190,000. A sum of \$6,690,000 was paid in cash and \$8,500,000 in exploration work was to be carried out by Québénergie inc. over the next two years.

Haldimand property

On May 6, 2008, a second agreement defined a development area of 9 km² around the Pétrolia Haldimand No. 1 well in which Pétrolia held a 45% interest, Junex 45% and Gastem 10%. Some of the licences to these properties are subject to royalty payments of 5%. Under an amendment to the original agreement signed July 22, 2009, Pétrolia became the operator of the entire 9-km² development area. On October 1, 2009, Pétrolia acquired all of Gastem's interest. Following its decision not to participate in the drilling of a second well, Junex saw its ownership interest decrease by 9%. After signing definitive agreements to sell 50% of the interests in the Haldimand discovery, Haldimand's ownership was as follows: Pétrolia – 32%, Québénergie – 32% and Junex – 36%.

On December 20, 2011, Pétrolia and Québénergie paid \$3.1 million to buy all of Junex's interests in this deposit. The agreement releases Junex from the production penalties to which it was exposed by failing to participate in recent work on the properties. Following this transaction, Pétrolia and Québénergie now own an equal share in the deposit and surrounding properties.

Bourque property

In May 2012, Pétrolia made a private placement totalling \$15.75M, with most of the funds to be used for the drilling of two wells on the Bourque property

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

Anticosti property

The Company acquired all of Hydro-Québec's rights on Anticosti Island in return for an overriding royalty on oil production. Under this agreement, Pétrolia shares a 25% interest with Corridor Resources Inc. in six licences and 50% in 29 exploration licences on the island and acts as an operator for most of them. In June 2010, the Company participated in the drilling of three exploration wells and extracted a core sample to evaluate the McCasty formation's potential as a shale gas reservoir. Once it obtains the results of the core sample analysis, the Company plans to undertake development work in order to better estimate the oil potential of Anticosti Island.

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Office equipment	Rolling stock	Reservoirs and construction facilities	Sites	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at October 1, 2011	565,179	266,809	236,187	115,739	75,434	1,259,348
Additions	12,304	22,069	8,301	243,417	-	286,091
Disposal	-	-	-	-	-	-
Balance as at December 31, 2012	577,483	288,878	244,488	359,156	75,434	1,545,439
Accumulated depreciation						
Balance as at October 1, 2011	65,807	96,046	157,594	8,122	-	327,569
Retirement	-	-	-	-	-	-
Depreciation	119,631	32,076	18,721	19,183	-	189,611
Balance as at December 31, 2012	185,438	128,122	176,315	27,305	-	517,180
Book value as at December 31, 2012	392,045	160,756	68,173	331,851	75,434	1,028,259
Book value as at September 30, 2011	499,372	170,763	78,593	107,617	75,434	931,779
	Leasehold improvements	Office equipment	Rolling stock	Reservoirs	Sites	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at October 1, 2010	18,387	160,040	236,187	-	-	414,614
Additions	369,609	47,398	-	56,713	64,007	537,727
Disposal	-	-	-	-	-	-
Balance as at December 31, 2011	387,996	207,438	236,187	56,713	64,007	952,341
Accumulated depreciation						
Balance as at October 1, 2010	16,831	60,713	123,911	-	-	201,455
Retirement	-	-	-	-	-	-
Depreciation	12,017	20,477	25,262	2,835	-	60,491
Balance as at December 31, 2011	28,848	81,190	149,173	2,835	-	262,046
Book value as at December 31, 2011						
Book value as at October 1, 2010	1,566	99,327	112,276	-	-	213,159

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

8. TRADE AND OTHER PAYABLES

	As at December 31, 2012	As at September 30, 2012
	\$	\$
Payables and accrued liabilities	6,450,597	2,449,192
Salaries, vacation pay and directors' fees	145,760	270,614
Security deposits from partners	307,500	307,500
	6,903,857	3,027,306

9. PROVISION FOR SITE RESTORATION

Management calculates the total provisions for future site restoration based on the estimated cost to abandon and reclaim its net ownership interest in all wells and facilities and the estimated timing of the costs to be incurred in future periods.

At December 31, 2012, the future estimated total required to settle obligations related to site restoration, indexed at 3.5%, was \$385,938. An amount of \$98,000 of this obligation will be settled during the fiscal year. The total future amount was discounted using the weighted average rate of 5.25%, according to a payment schedule ranging from 1 to 30 years. The total undiscounted amount of the estimated cash flow required to settle this obligation is \$385,938.

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

The following table presents the reconciliation of the provision for site restoration:

	As at December 31, 2012	As at September 30, 2012
	\$	\$
Balance, beginning of period	385,938	369,178
Liabilities incurred	-	41,992
Accretion expense	-	12,268
Amount used	-	(37,500)
Balance, end of period	385,938	385,938
Portion of liability to be settled during the following fiscal year	98,000	98,000
	287,938	287,938

10. SHARE CAPITAL**Authorized**

Unlimited number of common, participating, voting shares without par value.

Issued:

	Three months ended December 31, 2012		Fiscal year ended September 30, 2012	
	Number of shares	Amount \$	Number of shares	Amount \$
Balance, beginning of period	66,585,750	51,378,040	54,579,477	35,432,271
Shares issued:				
Shares issued	936,550	880,357	11,091,552	15,750,004
Warrants exercised	-	-	264,721	344,136
Exercise of share options	60,000	78,601	650,000	460,208
Future taxes		-		160,421
Share issuance costs		(93,297)		(769,000)
Balance, end of period	67,582,300	52,243,701	66,585,750	51,378,040

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

Warrants

Outstanding warrants allow holders to subscribe to an equivalent number of common shares as follows:

	Three months ended December 31, 2012		Fiscal year ended September 30, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of period	5,788,734	\$ 1.76	264,721	\$ 1.30
Granted	-	-	5,788,734	1.76
Exercised	-	-	(264,721)	(1.30)
Expired	-	-	-	-
Balance, end of period	<u>5,788,734</u>	<u>1.76</u>	<u>5,788,734</u>	<u>1.76</u>

The number of outstanding warrants that can be exercised for an equivalent number of common shares is established as follows:

	Three months ended December 31, 2012		Fiscal year ended September 30, 2012	
Expiry date	Number of warrants	Exercise price	Number of warrants	Exercise price
		\$		\$
May 14, 2014	242,958	1.42	242,958	1.42
May 15, 2015	<u>5,545,776</u>	<u>1.78</u>	<u>5,545,776</u>	<u>1.78</u>

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

11. EMPLOYEE REMUNERATION

Employee benefits expense

Expenses recognized for employee benefits are analyzed below:

	As at December 31, 2012	As at September 30, 2012
	\$	\$
Wages, salaries	684,567	2,223,643
Share-based payments	913,906	639,692
	<u>1,598,473</u>	<u>2,863,335</u>
Less: salaries capitalized in exploration and evaluation assets	<u>525,624</u>	<u>1,276,431</u>
Employee benefits expense	<u>1,072,849</u>	<u>1,586,904</u>

Share-based payment

The Company has a share option plan that allows it to grant a maximum of 10% of the number of shares outstanding to its directors, officers, key employees and suppliers on a continuous basis. The exercise price of each option equals the market price or discounted market price of the underlying share on the day prior to the grant of the option. All options must be exercised no later than five years after the date of the grant. The options granted to directors vest immediately and over a period of three years for other participants.

All share-based employee remuneration will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

Share options and weighted average prices are as follows for the reporting periods presented:

	Three months ended December 31, 2012		Fiscal year ended September 30, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of period	3,706,000	1.09	3,276,250	0.84
Granted	2,220,000	1.02	1,341,000	1.52
Exercised	(60,000)	0.74	(650,000)	0.43
Expired	-	-	(261,250)	0.82
Outstanding at end of period	5,866,000	1.11	3,706,000	1.16
Exercisable	3,194,250	1.14	2,221,500	1.09

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

The following table reflects share options issued and outstanding at December 31, 2012:

Options outstanding			
Number of options	Exercise price	Time to maturity	Expiration date
	\$	Years	
400,000	0.60	0.1	February 12, 2013
327,500	1.25	0.5	July 7, 2013
60,000	0.74	1.4	May 21, 2014
270,000	0.89	2.2	February 25, 2015
672,500	0.50	2.9	December 8, 2015
75,000	1.31	3.2	February 25, 2016
500,000	1.69	3.4	May 18, 2016
1,266,000	1.52	3.9	December 4, 2016
75,000	1.51	4.1	February 22, 2017
2,220,000	1.02	4.9	December 10, 2017

The following table reflects share options issued and outstanding at September 30, 2012:

Options outstanding			
Number of options	Exercise price	Time to maturity	Expiration date
	\$	years	
400,000	0.60	0.3	February 12, 2013
327,500	1.25	0.8	July 7, 2013
120,000	0.74	1.7	May 21, 2014
270,000	0.89	2.4	February 25, 2015
672,500	0.50	3.2	December 8, 2015
75,000	1.31	3.4	February 25, 2016
500,000	1.69	3.6	May 18, 2016
1,266,000	1.52	4.2	December 4, 2016
75,000	1.51	4.3	February 22, 2017

The fair value of the options granted during the period was calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 2012	May 2012	February 2012	December 2011
Share price at grant date	1.02	1.42	1.51	1.52
Risk-free interest rate	1.55%	0.86%	3 %	3 %
Average expected volatility	102 %	95 %	91 %	91 %
Average expected life (years)	1-5	2	5	5
Expected dividend yield	Nil	Nil	Nil	Nil

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of five years since the grant date.

Accordingly, the share-based payment was allocated as follows:

	December 2012	March 2012	December 2011	May 2011
	\$	\$	\$	\$
Statement of income	804,420	36,968	469,741	153,625
Deferred exploration expenses	109,486	43,732	89,251	7,125
Total	913,906	80,700	558,992	160,750

12. CONTINGENCIES**Environment and letters of guarantee**

The Company's operations are subject to environmental protection legislation. Environmental consequences are difficult to predict, whether in terms of their outcomes, dates or impact. Currently, to the best of management's knowledge, the Company is operating in compliance with current legislation. Letters of guarantee in the amount of \$930,000 were issued in favour of the Ministère des Ressources naturelles to guarantee the work to shut down certain sites.

These letters are secured by guaranteed investment certificates (GICs) in an equivalent amount.

Notes to the condensed interim financial statements (unaudited)

For the three months ended December 31, 2012

APPENDICES

	2012	2011
	\$	\$
	(three months)	(three months)
A – ADMINISTRATIVE EXPENSES		
Share-based payment	804,420	469,741
Salaries and benefits	268,429	185,465
Insurance	13,176	12,312
Maintenance and office supplies	23,355	25,633
Board of Directors fees	41,246	32,211
Information for shareholders	16,544	13,623
Office rent	31,056	32,174
Promotion and entertainment	133,210	18,248
Transportation	104,989	29,364
Professional fees	49,699	69,534
Capital tax	(3,000)	(12,663)
Telecommunications	5,965	3,240
Depreciation of property, plant and equipment	26,410	28,809
Other expenses	423	1,365
	1,515,922	909,056
B – OPERATING EXPENSES		
Share-based payment	109,486	89,251
Salaries and benefits	416,138	258,324
Insurance	543	8,937
Maintenance and office supplies	8,376	7,708
Transportation	1,450	5,859
Training	874	695
Office rent	39,459	34,398
Professional fees	-	-
Telecommunications	587	2,790
Depreciation of property, plant and equipment	49,176	33,547
Other expenses	240	763
Allocation to deferred exploration work	(839,274)	(408,670)
	(212,945)	33,602
C – FINANCIAL INCOME AND EXPENSES		
Interest income (Note 17)	(38,133)	(59,219)
Bank fees	1,590	959
Interest on debt	-	8,315
	(36,543)	(49,945)