STINA RESOURCES LTD.

Amended Consolidated Financial Statements

Years ended September 30, 2012 and 2011

Expressed in Canadian Dollars

Notice to Reader:

The following document is Stina Resources Ltd.'s amended consolidated financial statements for the financial year-ended September 30, 2012, which has been amended and re-filed to change wording in the independent auditor's report. Specifically, to correct the reference to the Company in the opinion paragraph of the independent auditor's report. No other changes have been made to the consolidated financial statements or independent auditor's report and these amended consolidated financial statements reflect the events as of the original filing date and do not reflect events that may have occurred subsequent to the original filing date, and do not modify or update in any way the other disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stina Resources Ltd.,

We have audited the accompanying consolidated financial statements of Stina Resources Ltd., which comprise the consolidated statements of financial position as at September 30, 2012, September 30, 2011 and October 1, 2010, the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years ended September 30, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Stina Resources Ltd. as at September 30, 2012, September 30, 2011 and October 1, 2010, and its financial performance and its cash flows for the years ended September 30, 2012 and September 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

DMCL

January 25, 2013
Vancouver, Canada

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

STINA RESOURCES LTD.
Consolidated Statements of Financial Position
Expressed in Canadian dollars

	Notes	September 30, 2012	September 30, 2011 (Note 14)	October 1, 2010 (Note 14)
ASSETS				
Current assets				
Cash		$ 217,982	$ 24,519	$ 1,869,396
Short term investments	4	425,000	1,225,000	750,000
Receivables	5	37,817	66,114	33,905
Prepaids		5,353	5,353	-
		686,152	1,320,986	2,653,301
Non-current assets				
Reclamation bond	7	21,768	21,768	21,768
Equipment	6	4,063	5,210	-
Exploration and evaluation assets	7	5,524,093	7,133,389	5,124,660
		$ 6,236,076	$ 8,481,353	$ 7,799,729
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade payables and accrued liabilities	8	$ 130,032	$ 133,742	$ 198,039
Restoration obligation	7	21,768	21,768	21,768
Other liabilities	14	-	-	15,384
Due to related parties	11	48,356	58,480	58,679
		200,156	213,990	293,870
Shareholders' equity				
Share capital	9	11,985,598	11,587,648	10,688,744
Reserves	10	2,129,716	1,967,691	1,626,896
Deficit		(8,079,394)	(5,287,976)	(4,809,781)
		6,035,920	8,267,363	7,505,859
		$ 6,236,076	$ 8,481,353	$ 7,799,729

Nature of operations and going concern (Note 1)
Summary of significant accounting policies (Note 2)
Commitments (Note 7)

"Jim Wall" Director
Jim Wall

"Edward Gresko"
Edward Gresko

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

STINA RESOURCES LTD.
Consolidated Statements of Comprehensive Loss
Expressed in Canadian dollars

	Notes	Years ended September 30, 2012	2011 (Note 14)
Expenses			
Accounting, audit and legal		$ 90,821	$ 54,319
Amortization		1,147	313
Consulting fees	11	134,368	157,864
Exchange loss (gain)		497	(849)
Office and sundry		43,630	61,023
Regulatory fees and shareholder communications		9,360	13,219
Rent		13,000	12,000
Salaries and benefits	11	75,902	-
Share-based payments	11	162,025	119,299
Transfer agent		6,633	9,908
Travel and promotion		31,864	83,149
Total expenses		(569,247)	(510,245)
Other items			
Impairment of exploration and evaluation assets	7	(2,231,043)	(1,402)
Interest income		8,872	29,257
		(2,222,171)	27,855
Loss before income taxes		(2,791,418)	(482,390)
Deferred income tax recovery	14	-	4,195
Total loss and comprehensive loss for the period		(2,791,418)	(478,195)
Weighted average number of common shares outstanding (basic and diluted)		26,267,007	25,600,751
Basic and diluted net loss per share		$ (0.11)	$ (0.02)

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

STINA RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity

Expressed in Canadian Dollars

		Share Capital		Reserves		
	Notes	Number of Common shares	Amount	Warrant and Stock Option Reserve	Deficit	Total
Balance Forward at October 1, 2010	14	**24,078,928**	**$ 10,688,744**	**$ 1,626,896**	**$ (4,809,781)**	**$ 7,505,859**
Comprehensive Loss for the Year					(478,195)	(478,195)
Shares for Private Placement	9	1,458,571	922,400	-	-	922,400
Allocate Fair Value of Warrants	9	-	(221,496)	221,496	-	-
Shares for Mineral Properties	7,9	500,000	198,000	-	-	198,000
Stock Option Grant		-	-	119,299	-	119,299
Balance at September 30, 2011	14	**26,037,499**	**11,587,648**	**1,967,691**	**(5,287,976)**	**8,267,363**
Comprehensive Loss for the Year					(2,791,418)	(2,791,418)
Shares for Private Placement	9	2,100,000	315,000	-	-	315,000
Share issue costs	9	-	(22,050)	-	-	(22,050)
Shares for Mineral Properties	7,9	600,000	105,000	-	-	105,000
Stock Option Grant	9	-	-	162,025	-	162,025
Balance at September 30, 2012		**28,737,499**	**$ 11,985,598**	**$ 2,129,716**	**$ (8,079,394)**	**$ 6,035,920**

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

STINA RESOURCES LTD.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Notes	Years ended September 30, 2012	2011 (Note 14)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Net loss for the year	14	$ (2,791,418)	$ (478,195)
Adjustments to reconcile loss to net cash used in operations:			
Amortization		1,147	313
Interest income	14	(8,872)	(29,257)
Share-based payment		162,025	119,299
Impairment of exploration and evaluation assets		2,231,043	1,402
Deferred income tax recovery		-	(4,195)
Changes in non-cash working capital items:			
Receivables		28,298	(32,209)
Prepaids		-	(5,353)
Taxes payable		-	(11,189)
Trade payables and accrued liabilities		(3,711)	26,473
Net cash used in operating activities		(381,488)	(412,911)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Short-term investments redeemed (purchased)		800,000	(475,000)
Interest received	14	8,872	29,257
Equipment purchased		-	(5,522)
Evaluation and exploration assets, net of recoveries		(516,747)	(1,902,901)
Net cash provided by (used in) investing activities		292,125	(2,354,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common shares, net of issue costs		292,950	922,400
Advances to related parties		(10,124)	(200)
Net cash provided by financing activities		282,826	922,200
Increase (Decrease) in cash		193,463	(1,844,877)
Cash, beginning of the year		24,519	1,869,396
Cash, end of the year		$ 217,982	$ 24,519

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

1. Nature and continuance of operations

Stina Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the exploration of its mineral properties in Canada and the United States. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "SQA".

The corporate office and principal place of business of the Company is 717 – 165 LaRose Avenue, Etobicoke, Ontario, Canada, M9P 3S9.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2012, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. These uncertainties may cast substantial doubt about the Company's ability to continue as a going concern.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on January 25, 2013 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards

The consolidated financial statements of the Company have been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

These consolidated financial statements include the accounts and operations of the Company and the Company's wholly-owned subsidiary, Stina Resources Nevada Ltd. Since its inception on December 14, 2009. Stina Resources Nevada Ltd. was incorporated in the United States of America.

All intercompany balances and transactions were eliminated upon consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

2. Significant accounting policies and basis of preparation (cont'd)

Significant Judgments and estimates made in the preparation of the financial statements:

Going concern assessment: The preparation of these financial statements under the going concern assumption requires significant judgment in assessing that future loans or equity financing are likely to be available in order to meet obligations coming due. The going concern assumption implies that the Company is expected to continue operations for at least the ensuing 12 month period. Alternatively, if the going concern assumption was not appropriate then assets of the Company would be stated at liquidation values which could result in a material change to asset values.

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. Areas requiring a significant degree of estimation uncertainty relate to:

Impairment of exploration and evaluation assets: The future recoverability of exploration and evaluation assets is dependent on a number of factors, including whether the Company intends to exploit the related mineral interest itself or whether it can successfully recover the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include commodity prices, the amount of estimated reserves and resources, the number of interested purchasers, future technological changes which could impact the cost of mining or future legal changes (including changes to environmental restoration obligations). To the extent that the capitalised exploration and evaluation asset is determined not to be recoverable in the future, the net asset will be reduced in the period in which this determination is made.

Stock based compensation: Upon granting stock options, management must select a valuation model as well as subjective inputs to that model in estimating the fair value of the options. Judgements are made regarding employee retention, expected exercise periods, and future stock volatility in estimating the fair value. Changes made to these judgements and estimates could materially affect the reported amount of stock based compensation in the period.

Foreign currency translation

The functional currency of the Company and its subsidiary is determined by the currency of the primary economic environment in which the entity operates. The financial statements are presented in Canadian dollars which is both the Company's and its subsidiary's functional currency. The Company presently conducts the majority of its activities in Canada.

<u>Transactions and balances:</u>

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share capital and share units

Common shares and share units issued are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity, net of any tax effect.

Proceeds received on the issuance of units, consisting of common shares and share purchase warrants are allocated between the common share and warrant component. The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and was valued at its fair value, as determined by the closing bid price on the issuance date. The remaining proceeds, if any, would be allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

2. Significant accounting policies and basis of preparation (cont'd)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's non-current assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies and basis of preparation (cont'd)

Flow-Through Shares:

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provisions of the Canadian Income Tax Act. Proceeds from the issuance of flow-through shares are used to fund qualified exploration and evaluation expenditures and the related income tax deductions are renounced to the subscribers of the flow-through shares. Any premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to accrued liabilities. Upon completion of the qualifying expenditures and renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

Exploration and Evaluation Assets

The Company is in the exploration stage in respect to its exploration and evaluation assets.

Pre-exploration costs are expensed in the year in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such amounts unpaid are not recorded as a liability when they are payable entirely at the Company's discretion. Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. The exploration and evaluation assets may be subject to prior undetected agreements or transfers and title may be affected by such defects.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to the Statement of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine development cost". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Any incidental revenue earned in connection with exploration activities is applied as a reduction to capitalized exploration costs. Any operational income earned in connection with exploration activities is recognized in the Statement of operations and comprehensive loss.

Mineral exploration and evaluation expenditures are classified as intangible assets.

2. Significant accounting policies and basis of preparation (cont'd)

***Restoration and environmental obligations*:**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

Amortization is calculated on the declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	25%

One-half the normal rate is recorded in the year of acquisition.

3. Accounting standards issued but not yet effective

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Each of the new standards, IFRS 10 to 13 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company is in the process of assessing the impact that the new and amended standards will have on its financial statements and has not elected to early adopt any of the new requirements.

3. Accounting standards issued but not yet effective (cont'd)

IFRS 9 Financial Instruments – IFRS 9 is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 12 Disclosure of Interests in Other Entities - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The standard will be effective for annual periods beginning on or after January 1, 2013.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

IAS 27 Separate Financial Statements - IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. The standard will be effective for annual periods beginning on or after January 1, 2013.

IAS 28 Investments in Associates and Joint Ventures - IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13. The standard will be effective for annual periods beginning on or after January 1, 2013.

IAS 1 Presentation of Financial Statements - IAS 1 amendment requires components of other comprehensive income (OCI) to be separately presented between those that may be reclassified to income and those that will not. The standard will be effective for annual periods beginning on or after July 1, 2012.

(Expressed in Canadian dollars)

3. Accounting standards issued but not yet effective (cont'd)

IAS 32 Financial Instruments: Presentation - IAS 32 amendment provides clarification on the application of offsetting rules. The standard will be effective for annual periods beginning on or after January 1, 2014.

4. Short term investments

	September 30, 2012	September 30, 2011	October 1, 2010
Short-term investments	$ 425,000	$ 1,225,000	$ 750,000

Short-term investments include money market based investments and guaranteed investment certificates where initial maturity is more than ninety days. These investments may be redeemed at the Company's option without significant penalty. As of September 30, 2012 these investments bear interest at the Bank of Montreal (BMO) Prime rate less 0.95%. The carrying value approximates the fair value of these investments.

5. Receivables

	September 30, 2012	September 30, 2011	October 1, 2010
Harmonized sales tax receivables	$ 24,950	$ 77,328	$ 33,905
Other receivables	12,867	(11,214)	-
	$ 37,817	$ 66,114	$ 33,905

6. Equipment

	Computer Equipment	Office Equipment	Total
Cost:			
At October 1, 2010	$ -	$ -	$ -
Additions	765	4,758	5,523
Disposals	-	-	-
At September 30, 2011	765	4,758	5,523
Additions	-	-	-
Disposals	-	-	-
At September 30, 2012	765	4,758	5,523
Depreciation:			
At October 1, 2010	-	-	-
Charge for the period	75	238	313
Eliminated on disposal	-	-	-
At September 30, 2011	75	238	313
Charge for the period	130	1,017	1,147
Eliminated on disposal	-	-	-
At September 30, 2012	205	1,255	1,460
Net book value:			
At October 1, 2010	-	-	-
At September 30, 2011	690	4,520	5,210
At September 30, 2012	$ 560	$ 3,503	$ 4,063

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets

	Year ended September 30, 2012	Year ended September 30, 2011
Bisoni McKay Vanadium Property, Nevada, USA		
Acquisition costs:		
Balance, beginning of year	$ 2,859,526	$ 2,859,526
Staking and claim costs	453	-
Balance, end of year	2,859,979	2,859,526
Exploration expenditures:		
Balance, beginning of year	793,133	719,190
Economic study		39,349
Geological consulting	10,359	22,966
Claim fees and staking	3,026	6,147
Storage	6,030	5,481
Balance, end of year	812,548	793,133
Impairment	(1,962,257)	-
Total Bisoni McKay Vanadium Property	$ 1,710,270	$ 3,652,659
Kodiak Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of year	$ 512,675	$ 334,675
Cash payment	37,500	100,000
200,000 shares at $0.16	32,000	-
200,000 shares at $0.39	-	78,000
Balance, end of year	582,175	512,675
Exploration expenditures:		
Balance, beginning of year	379,149	301,772
Assaying		12,835
Geological consulting	188	13,718
Geomagnetic	-	26,830
Helicopter rentals	-	8,704
Trenching	-	15,290
Balance, end of year	379,337	379,149
Total Kodiak Property	$ 961,512	$ 891,824

(continues)

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets (cont'd)

	Year ended September 30, 2012	Year ended September 30, 2011
Dime Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of year	$ 648,000	$ 428,000
Cash payment	54,650	100,000
300,000 shares at $0.19	57,000	-
300,000 shares at $0.40	-	120,000
Balance, end of year	759,650	648,000
Exploration expenditures:		
Balance, beginning of year	1,940,906	480,095
Assaying	66,279	65,947
Camp accommodation	16,097	211,117
Drilling	-	402,118
Geological consulting	15,112	203,352
Geomagnetic	-	51,050
Helicopter rentals	6,890	327,871
Soil sampling	15,001	24,613
Salaries	32,375	70,625
Trenching	-	104,118
Balance, end of year	2,092,660	1,940,906
Total Dime Property	$ 2,852,310	$ 2,588,906
Bandit Creek Property, British Columbia, Canada		
Acquisition costs:		
Balance, beginning of year	$ -	$ -
Cash payment	-	-
100,000 shares at $0.10	16,000	-
Balance, end of year	16,000	-
Exploration expenditures:		
Balance, beginning of year	-	-
Assaying	3,360	-
Camp expenses	22,240	-
Drilling	158,426	-
Geological consulting	56,876	-
Soil sampling	11,885	-
Balance, end of year	252,787	-
Impairment	(268,786)	
Total Bandit Creek Property	$ 1	$ -

(continues)

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets (cont'd)

	Year ended September 30, 2012	Year ended September 30, 2011
Zeibright Property, California, USA		
Acquisition costs:		
Balance, beginning of year	$ -	$ 1,402
Write down of property	-	(1,402)
Balance, end of year	$ -	$ -
Total Exploration and Evaluation Assets	**$ 5,524,093**	**$ 7,133,389**

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

a) **Bisoni MacKay Property, Nevada**

On April 25, 2005, Company entered into a property option agreement with Vanadium International Co. ("Vanadium") to purchase a 50% undivided interest in 19 mining claims (the Bisoni MacKay Vanadium Property) covering 392.6 acres, located in Nye County, Nevada, USA. The optioned claims are subject to a 2.5% Net Smelter Royalty (NSR) payable to the vendor.

The Company earned its 50% interest, by making a series of cash payments totaling $250,000 ($175,000 of which was settled for 175,000 shares), issuing 1,250,000 shares to Vanadium, as well as funding $700,000 of exploration activities.

During 2008, the Company exercised a purchase option, included in the original property option agreement, to acquire the remaining 50% interest in the mining claims, for a 100% total interest, subject to the 2.5% NSR. Consideration under the purchase option included a US$2,000,000 payment to the vendor. The US$2,000,000 option payment was satisfied in a share settlement through the issuance of 1,995,600 common shares at a stated value of $0.9978 per share. These shares have been recorded at management's estimate of fair value of $0.7982 per share, based on a 20% discount from the quoted market price at the time of the share issuance to factor in market conditions and a large block discount.

The Company has staked an additional 18 claims in the area which are contiguous with the existing claims.

During 2008, the Company posted a reclamation bond with the Nevada state government should the Company not complete any required site reclamation or environmental remediation. Effective October 1, 2008, the Company recorded an asset retirement obligation of $21,768 relating to the Company's activities on the property. The site reclamation is expected to occur at the end of the Phase II drill program.

Managements' review for indications of impairment primarily considered that the acquisition costs of this property appeared non-recoverable in the current market. The acquisition costs were primarily based on 3,245,000 common shares that were issued at an average cost of $0.78 per share. In today's market, or specifically at September 30, 2012, the shares would be worth $0.18 per share. The Company has recorded an impairment charge of $1,962,257 in the current year to decrease the carrying value of the property based on market indicators. In addition, the Company has not conducted a significant work program in four years.

7. Exploration and Evaluation Assets (cont'd)

b) **Kodiak Property, Yukon**

On June 18, 2009, the Company entered into an option agreement with Ryanwood Exploration Inc. ("REI") pursuant to which REI has agreed to grant the Company an option to purchase a 100% beneficial interest in 152 mining claims located in the Dawson Mining District, Yukon Territory, subject to REI retaining a 2% NSR.

To exercise its option, the Company must make the following payments, share issuances and expenditures:

Cash payments:

- $75,000 within five days of Exchange approval (paid)
- $50,000 on or before June 15, 2010 (paid)
- $100,000 on or before June 15, 2011 (paid)
- $75,000 on or before June 15, 2012, extended to November 18, 2012 ($37,500 paid June 13, 2012 and $37,500 paid November 13, 2012))
- $75,000 on or before June 15, 2013

Shares:

- 250,000 common shares of the Company within five days of Exchange approval (issued)
- 200,000 common shares of the Company on or before June 15, 2010 (issued)
- 200,000 common shares of the Company on or before June 15, 2011 (issued)
- 200,000 common shares of the Company on or before June 15, 2012 (issued)
- 250,000 common shares of the Company on or before June 15, 2013

Exploration Expenditures:

- $100,000 on or before November 18, 2009 (incurred)
- $200,000 on or before November 15, 2010 (incurred)
- $300,000 on or before November 18, 2011 (extended to November 18, 2013)
- $500,000 on or before November 15, 2012 (extended to November 18, 2013)

The Company has the option to purchase one half of the NSR for a payment of two million dollars.

c) **Dime Property, Yukon**

On July 23, 2009, the Company entered into a property option agreement with REI to earn a 100% interest in 308 claims in the Dawson Mining District, Yukon Territory, subject to a 2% NSR in favor of the optionor.

To exercise its option, the Company must make the following payments and expenditures:

Cash payments:

- $125,000 within fifteen days of Exchange approval (paid)
- $125,000 on or before June 26, 2010 (paid)
- $100,000 on or before June 26, 2011 (paid)
- $100,000 on or before June 26, 2012, extended to November 18, 2012 ($50,000 paid June 13, 2012 and $50,000 paid November 18, 2012)
- $150,000 on or before June 26, 2013

7. Exploration and Evaluation Assets (cont'd)

c) Dime Property, Yukon

Shares:

- 200,000 common shares of the Company within five days of Exchange approval (issued)
- 200,000 common shares of the Company on or before June 26, 2010 (issued)
- 300,000 common shares of the Company on or before June 26, 2011 (issued)
- 300,000 common shares of the Company on or before June 26, 2012 (issued)
- 250,000 common shares of the Company on or before June 26, 2013

Exploration Expenditures:

- in the amount of $100,000 on or before November 15, 2009 (incurred)
- an additional amount of $250,000 on or before November 15, 2010 (incurred)
- an additional amount of $500,000 on or before November 15, 2011 (incurred)
- an additional amount of $750,000 on or before November 15, 2012 (incurred)

The Company has the option to purchase one half of the NSR for a payment of two million dollars.

d) Bandit Property, British Columbia

On June 5, 2012, the Company entered into an option agreement with Copper Creek Gold Corp. to earn a 60% interest in the Bandit Property located in the Blackwater Gold District of Central British Columbia. The property consists of three contiguous claims totaling of 8,732 hectares.

To exercise its option, the Company must make the following payments and expenditures:

Shares:

- 100,000 common shares of the Company within five days of Exchange approval (issued);
- 100,000 common shares of the Company on or before June 15, 2013;
- 100,000 common shares of the Company on or before June 15, 2014;
- 100,000 common shares of the Company on or before June 15, 2015.

Exploration Expenditures:

- in the amount of $100,000 on or before June 15, 2013 (incurred);
- an additional amount of $650,000 on or before June 15, 2014;
- an additional amount of $500,000 on or before June 15, 2015;
- an additional amount of $750,000 on or before June 15, 2016.

The Company has recorded an impairment charge of $268,786 as exploration results received subsequent to year end suggested nominal mineralization. As exploration results suggested nominal mineralization, the Company is unlikely to carry on with the option.

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets (cont'd)

e) Zeibright Mine, California, USA

On February 19, 2009, the Company entered into an option agreement with Steephollow Resources Inc. ("SRI"), pursuant to which SRI has agreed to grant the Company an option to purchase a 100% beneficial interest in certain mining claims located in Nevada County, California, United States. The claims are subject to a 2% NSR.

To exercise the option, the Company must: (i) incur and finance exploration expenditures on the property of not less than $100,000, on or before the second anniversary of the approval date of the option agreement by the Exchange (approved March 18, 2009); and (ii) allot and issue one million shares in the capital stock of the Company to SRI upon the completion of such exploration expenditures.

The Company entered into a suboption agreement (the "Suboption Agreement") with Gordon Lee (the "Optionee") who has the right to earn 70% of the Zeibright Gold Property (the "Property") from the Company by conducting US$2 million of exploration work on the property over four years. The Company has an option to earn 100% of the Zeibright Property from SRI in consideration for exploration expenditures of $100,000 within two years and the payment of 1 million common shares. Both the Company and SRI have agreed to transfer 70% of the Company's interest to the Optionee under the Suboption Agreement in consideration that the exploration expenditures under the Suboption Agreement will be applied to the Company's obligation. The Company is still required to issue the shares to SRI.

The Optionee was required to expend amounts according to the following schedule:

- $200,000 by July 18, 2010
- $300,000 by April 18, 2011
- $500,000 by April 18, 2012
- $1,000,000 by April 18, 2013

The Company also maintains the right to buy back a 20% interest in the Property for the payment of $500,000 within ninety (90) days after the Optionee has exercised its option.

The Company did not receive confirmation of the expenditures required by July 18, 2010 and the option agreement has been terminated with the Optionee with no ongoing obligations for the Company.

During fiscal 2011 the Company decided not to proceed with the option and has written down staking and claim costs of $1,402.

8. Trade payables and accrued liabilities

	September 30, 2012	September 30, 2011	October 1, 2010
Trade payables	$ 107,470	$ 42,856	$ 67,195
Exploration payables	-	68,324	130,844
Accrued liabilities	22,562	22,562	-
	$ 130,032	$ 133,742	$ 198,039

(Expressed in Canadian dollars)

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

		Year ended September 30, 2012		Year ended September 30, 2011	
		Number of Shares	**Amount $**	**Number of Shares**	**Amount $**
Balance, beginning of year		26,037,499	11,587,648	24,078,928	10,688,744
Issued during the year:					
For Cash, private placement					
- at $0.15	i)	2,100,000	315,000	-	-
- at $0.70	ii)			1,458,571	1,021,000
Share issue costs		-	(22,050)		(98,600)
For Mineral Property:					
- at $0.16 per share	iii)	300,000	48,000	-	-
- at $0.19 per share	iv)	300,000	57,000	-	-
- at $0.39 per share	v)	-	-	200,000	78,000
- at $0.40 per share	vi)	-	-	300,000	120,000
Warrants reallocated		-	-	-	(221,496)
Balance, end of year		28,737,499	11,985,598	26,037,499	11,587,648

i) On September 19, 2012, the Company completed a non-brokered private placement of 2,100,000 flow-through share units at $0.15 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.45 per share until September 19, 2013. The Company estimated the fair value of the common shares issued as part of these units to approximate the issue price of the entire unit. Accordingly, in applying the residual value method, the Company assigned values of $nil to both the warrant and flow-through components of this instrument.

ii) On October 19, 2010, the Company completed a non-brokered private placement of 1,458,571 share units at $0.70 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to acquire one additional common share at $0.85 per share until October 19, 2012. The warrant component of the share unit has an estimated fair value of $221,496 using the Black-Scholes Option Pricing Model under the following assumptions: expected life 2 years; volatility 96.55%; risk free rate of return 1.45%; dividend yield 0%. The fair value of the warrant component has been allocated to warrant and stock option reserve. Finders fees of $98,600 in cash were paid in connection with this private placement.

iii) On June 15, 2012, the Company issued 100,000 common shares, at an estimated fair value of $0.16 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

On June 15, 2012, the Company issued 200,000 common shares, at an estimated fair value of $0.16 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

(Expressed in Canadian dollars)

9. Share capital (cont'd)

iv) On June 26, 2012, the Company issued 300,000 common shares, at an estimated fair value of $0.19 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

v) On June 15, 2011, the Company issued 200,000 common shares, at an estimated fair value of $0.39 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

vi) On June 24, 2011, the Company issued 300,000 common shares, at an estimated fair value of $0.40 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

The changes in options during the years ended September 30, 2012 and 2011 are as follows:

	September 30, 2012		September 30, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	1,900,000	$ 0.38	1,500,000	$ 0.39
Options expired	(450,000)	0.33	400,000	0.36
Options granted	800,000	0.15	-	-
Options outstanding, end of year	2,250,000	$ 0.31	1,900,000	$ 0.38
Options exercisable, end of year	2,250,000	$ 0.31	1,900,000	$ 0.38

(Expressed in Canadian dollars)

9. Share capital (cont'd)

Details of options outstanding as at September 30, 2012 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
$0.30	2.09 years	375,000
$0.46	2.85 years	825,000
$0.33	3.46 years	250,000
$0.15	4.76 years	800,000
$0.31	3.47 years	2,250,000

The grant date fair value of options granted during the year ended September 30, 2012 was $164,601 (2011 - $119,299). The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

	Year ended September 30, 2012	Year ended September 30, 2011
Expected life of options	5 years	5 years
Annualized volatility	156%	98 - 111%
Risk-free interest rate	1.26%	2.15 – 2.71%
Dividend rate	0%	0%

Warrants

September 30, 2010	Issued	(Expired)	(Exercised)	September 30, 2011	Terms
961,538	-	(961,538)	-	-	$1.25 and 1 warrant to July 10, 2011
200,000	-	-	-	200,000	$.73 and 1 warrant to September 24, 2012
1,561,672	-	-	-	1,561,672	$.85 and 1 warrant to September 28, 2012
-	729,286	-	-	729,286	$.85 and 1 warrant to October 19, 2012
2,723,210	729,286	(961,538)	-	2,490,958	

September 30, 2011	Issued	(Expired)	(Exercised)	September 30, 2012	Terms
200,000	-	(200,000)	-	-	$.73 and 1 warrant to September 24, 2012
1,561,672	-	(1,561,672)	-	-	$.85 and 1 warrant to September 28, 2012
729,286	-	-	-	729,286	$.85 and 1 warrant to October 19, 2012
-	2,100,000	-	-	2,100,000	$.45 and 1 warrant to September 19, 2013
2,490,958	2,100,000	(1,761,672)	-	2,829,286	

10. Reserves

The reserves recorded in equity on the Company's balance sheet is composed of the value of stock option grants and share purchase warrants issued prior to exercise at which time the corresponding amount will be transferred to share capital. The original value recorded for options and warrants that expire unexercised remains in the reserve balance.

(Expressed in Canadian dollars)

11. Related party transactions

The Company entered into the following transactions with related parties:

a) The Company incurred consulting fees in the amount of $66,000 (2011 - $63,000) with a company owned by a director for consulting services.

b) The Company incurred consulting wages in the amount of $66,000 (2011 - $33,000) with a senior officer and director.

c) The Company incurred consulting wages in the amount of $42,000 (2011 - $38,500) with a director.

d) At September 30, 2012, prior advances totalling $48,356 (September 30, 2011 - $60,483) were due to a company controlled by a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

e) At September 30, 2012, advances totalling $nil (September 30, 2011 - $1,163) were due from a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

f) At September 30, 2012, advances totalling $nil (September 30, 2011 - $840) were due from a senior officer and director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel compensation

	Years ended September 30,	
	2012	2011
Short-term employee benefits – management fees	$ -	$ -
Short-term employee benefits - consulting fees	66,000	63,000
Short-term employee benefits – salaries and wages	108,000	71,500
Share-based payment	162,025	-
	$ 336,025	$ 134,500

12. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

The Company is exposed to credit risk by holding cash and short-term investments. Holding the cash and short-term investments in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments.

Currency Risk

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as one of its mineral property interests is located in Nevada, USA. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

12. Financial risk management (cont'd)

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. Currently, this risk will have an immaterial effect on operations.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by careful management of its working capital.

Capital Management

The Company is engaged in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental issues and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, contributed surplus, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

The Company has designated its cash and short-term investments as held-for-trading, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and amounts due to related parties are classified as other financial liabilities, which are measured at amortized cost.

(Expressed in Canadian dollars)

12. Financial risk management (cont'd)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of assets and liabilities measured on a recurring basis include cash and short-term investments which are based on Level 1 inputs as they are measured with reference to identical demand instruments at BMO. Management estimates that the recorded values of all accounts receivable, accounts payable, and amounts due to and from related parties approximate their current fair values because of their nature and anticipated settlement dates (Level 3).

13. Income Taxes

The actual income tax provision differs from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are estimated as follows:

	2012 $	2011 $
Loss before income taxes	(2,791,418)	(482,390)
Corporate tax rate	25.34%	26.97%
Expected tax recovery at statutory rates	(707,300)	(130,100)
Decrease (increase) resulting from:		
Changes in estimated corporate tax rates	9,000	8,900
Expiry of non-capital losses carried forward	-	-
Non deductable stock compensation and other	37,900	8,300
Current and prior tax attributes not recognized (recognized)	660,400	108,705
Deferred income tax provision (recovery)	-	(4,195)

(Expressed in Canadian dollars)

13. Income Taxes (cont'd)

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows

	2012 $	2011 $
	25.00%	25.00%
Potential deferred income tax assets (liabilities)		
Non-capital losses available	634,300	515,900
Net book value of exploration and evaluation assets Less than tax bases	163,300	-
CEC pool	8,700	8,700
Share issue costs and other	44,100	59,900
Capital losses available	1,500	1,500
	851,900	586,000
Net book value of exploration and evaluation assets in excess of tax bases	-	(394,500)
Net potential deferred income tax assets	851,900	191,500
Valuation allowance	(851,900)	(191,500)
Net deferred income tax assets	-	-

Management has determined that there is insufficient likelihood of recovery to record a deferred benefit arising from potential tax assets. Accordingly a 100% valuation allowance has been applied.

At September 30, 2012, the Company had net operating losses of $2,536,900, inclusive of those inherited from the discontinued operations of Northern Seas Products Ltd., for income tax purposes which subject to restrictions may be available to reduce future taxable income. If not utilized, the losses expire through 2032 as follows:

	$
2032	473,400
2031	432,700
2030	405,900
2029	314,600
2028	225,700
2027	182,200
2026	219,300
2015	198,900
2014	84,200
	2,536,900

During the year ended September 30, 2011, management and the property optionor made certain tax elections whereby the Company has forfeited the tax base associated with the equity issuances to the property optionor.

14. Transition to IFRS

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Company adopted IFRS in its financial statements commencing with the interim financial statements for the period ended December 31, 2011. The Company previously applied the available standards under previous Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", October 1, 2010 has been considered to be the date of transition to IFRS by the Company. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

Exemptions applied

The Company has applied the following optional transition exemptions to full retrospective application of IFRS, as permitted by IFRS 1:

- IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before October 1, 2010.
- IFRS 2 "Share-based Payment" has not been applied to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to October 1, 2010, which have been accounted for in accordance with Canadian GAAP.

(Expressed in Canadian dollars)

14. Transition to IFRS (cont'd)

The following tables present reconciliations of assets, liabilities and shareholder's equity, loss and comprehensive loss and cash flows between certain amounts presented under IFRS versus those amounts as previously presented under Canadian GAAP.

Reconciliation of assets

		As at September 30, 2011			As at October 1, 2010		
	Notes	**Canadian GAAP**	**Effect of Transition**	**IFRS**	**Canadian GAAP**	**Effect of Transition**	**IFRS**
ASSETS							
Current assets							
Cash		$ 24,519	$ -	$ 24,519	$ 1,869,396	$ -	$ 1,869,396
Short-term investments		1,225,000	-	1,225,000	750,000	-	750,000
Receivables		66,114	-	66,114	33,905	-	33,905
Prepaids		5,353	-	5,353	-	-	-
		1,320,986	-	1,320,986	2,653,301	-	2,653,301
Non-current assets							
Reclamation bond		21,768		21,768	21,768		21,768
Equipment		5,210	-	5,210	-	-	717
Exploration and evaluation assets		-	7,133,389	7,133,389	-	5,124,660	5,124,660
Mineral property interests	**14 (b) & (d)**	7,328,720	(7,328,720)	-	5,124,660	(5,124,660)	-
TOTAL ASSETS		**$ 8,676,684**	**$ (195,331)**	**$8,481,353**	**$ 7,799,729**	**$ -**	**$ 7,799,729**

(Expressed in Canadian dollars)

14. Transition to IFRS (cont'd)

Reconciliation of liabilities and shareholders' equity

		As at September 30, 2011			As at October 1, 2010		
	Notes	Canadian GAAP	Effect of Transition	IFRS	Canadian GAAP	Effect of Transition	IFRS
LIABILITIES							
Current liabilities							
Trade payables and accrued liabilities		$ 133,742	$ -	$ 133,742	$ 198,039	$ -	$ 198,039
Asset retirement obligation		21,768	-	21,768	21,768	-	21,768
Other liabilities		-	-	-	11,189	4,195	15,384
Due to related parties		58,480	-	58,480	58,679	-	58,679
TOTAL LIABILITIES		**213,990**	**-**	**213,990**	**289,675**	**4,195**	**293,870**
SHAREHOLDERS' EQUITY							
Share capital		11,356,879	230,769	11,587,648	10,457,975	230,769	10,688,744
Contributed surplus		1,967,691	(1,967,691)	-	1,626,896	(1,626,896)	-
Reserves		-	1,967,691	1,967,691	-	1,626,896	1,626,896
Deficit		(4,861,876)	(426,100)	(5,287,976)	(4,574,817)	(234,964)	(4,809,781)
TOTAL EQUITY		**8,462,694**	**(195,331)**	**8,267,363**	**7,510,054**	**(4,195)**	**7,505,859**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**$ 8,676,684**	**$ (195,331)**	**$8,481,353**	**$ 7,799,729**	**$ -**	**$ 7,799,729**

(Expressed in Canadian dollars)

14. Transition to IFRS (cont'd)

Reconciliation of loss and comprehensive loss for the year ended September 30, 2011

		September 30, 2011		
	Note	Canadian GAAP	Effect of Transition	IFRS
Expenses				
Accounting, audit, and legal		$ 54,319	$ -	$ 54,319
Amortization		313	-	313
Consulting fees		157,864	-	157,864
Foreign exchange		(849)	-	(849)
Office supplies and secretarial		61,023	-	61,023
Regulatory and filing		13,219	-	13,219
Rent		12,000	-	12,000
Stock-based compensation		119,299	-	119,299
Transfer agent fees & filing		9,908	-	9,908
Travel and promotion		83,149	-	83,149
		(510,245)	-	(510,245)
Other items				
Interest income		29,257	-	29,257
Write down property interest		(1,402)	-	(1,402)
		27,855	-	27,855
Loss before income taxes		(482,390)	-	(482,390)
Future income tax recovery	14(c) and (d)	195,331	(191,136)	4,195
Net loss and comprehensive loss		**$ (287,059)**	**$ (191,136)**	**$ (478,195)**
Loss per share - basic and diluted		(0.01)		(0.02)

(Expressed in Canadian dollars)

14. Transition to IFRS (cont'd)

Reconciliation of cash flows for the year ended September 30, 2011

		September 30, 2011		
	Note	Canadian GAAP	Effect of Transition	IFRS
Operating activities				
Net loss for year	14 (c) and (d)	$ (287,059)	$ (191,136)	$ (478,195)
Adjustments				
Amortization		313	-	313
Interest income	14 (e)	-	(29,257)	(29,257)
Stockbased compensation		119,299	-	119,299
Write down property interest		1,402	-	1,402
Deferred income tax recovery	14 (c) and (d)	(195,331)	191,136	(4,195)
		(361,376)	(29,257)	(390,633)
Changes in non-cash working cap				
Accounts receivable		(32,209)	-	(32,209)
Deposits and prepaids		(5,353)	-	(5,353)
Taxes payable		(11,189)	-	(11,189)
Accounts payable/accrued liab		26,473	-	26,473
		(383,654)	-	(412,911)
Investing Activities				
Short-term investments		(475,000)	-	(475,000)
Interest received	14 (e)	-	29,257	29,257
Purchase of fixed assets		(5,522)	-	(5,522)
Resource property expenditures		(1,902,901)	-	(1,902,901)
		(2,383,423)	29,257	(2,354,166)
Financing Activities				
Issuance of share capital		922,400	-	922,400
Advances to related parties		(200)	-	(200)
		922,200	-	922,200
Decrease in cash		(1,844,877)	-	(1,844,877)
Cash beginning of year		1,869,396	-	1,869,396
Cash end of year		**$ 24,519**	$ -	**$ 24,519**

14. Transition to IFRS (cont'd)

(a) Reserves

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to contributed surplus. Under IFRS, these amounts have been reclassified as reserves.

(b) Exploration and evaluation assets

Under Canadian GAAP all mineral property interests were recorded to mineral property and equipment. Under IFRS these have been reclassified to exploration and evaluation assets.

(c) Renounced resource deductions

During fiscal 2011, the Company renounced resource related Canadian income tax deductions in favour of the vendor of certain of the Company's exploration and evaluation assets originally acquired through the issuance of common shares of the Company to the vendor. In accordance with Canadian GAAP, the company recorded a charge to exploration and evaluation assets and a deferred income tax recovery of $195,331, being a total of $781,324 of deductions at an estimated tax rate of 25%.

Under IFRS, the Company recorded this transaction at the fair value of the income tax deductions renounced which was estimated to be $Nil. Accordingly, for the year ended September 30, 2011, the Company recorded a decrease in exploration and evaluation assets of $195,331 and reversed the corresponding deferred income tax recovery in reconciling from Canadian GAAP to IFRS.

(d) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146 "Flow-through Shares". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a future income tax liability with a charge directly to shareholders' equity. Through October 1, 2010, the cumulative future tax liability charged to shareholders' equity totaled $250,000. Also under Canadian GAAP the Company records a deferred tax recovery eligible to be recognized to offset the deferred tax charge to equity as a tax recovery in the statement of operations, which, through October 1, 2010 totaled $250,000.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the Company's common shares without the flow-through features at the time of issue is initially recorded as an other liability. Upon renunciation by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the other liability will be reversed both by way of charges to operations during the period. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

14. Transition to IFRS (cont'd)

(d) Flow-through shares (cont'd)

The issue date premium paid for the flow-through common shares, which was measured as the excess of the consideration paid over the quoted market price of the underlying common stock totaled $19,231. As a result of the renunciation of the related expenditures, the other liability was reduced to $4,915 as of October 1, 2010 and $nil during the first quarter of fiscal 2011.

As described above, upon renunciation the Company also recognized a deferred tax liability of $195,467 through October 1, 2010 which was increased by $54,533 to $250,000 during the first quarter of fiscal 2011. Each of these amounts was immediately reduced to $nil at the time of initial recognition by an offset upon recognition of previously unrecognized tax benefits resulting in related net deferred tax provision of $nil for all periods.

(e) Interest income

Under Canadian GAAP, the Company classified interest income as operating activities. Under IFRS, interest income has been reclassified as an investing activity.

15. Subsequent Event

On October 19, 2012, a total of 729,286 warrants exercisable at $0.85 expired unexercised.

Stina Resources Ltd.

Management Discussion & Analysis
for the Year and 4th Quarter ending September 30, 2012

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STINA RESOURCES LTD.

FORM 51-102F1

Management's Discussion & Analysis
for the Year and 4th Quarter Ended September 30, 2012
(and containing information as of January 28, 2013)

TABLE OF CONTENTS

STINA RESOURCES LTD.

FORM 51-102F1

Management's Discussion & Analysis
for the Year and 4th Quarter Ended September 30, 2012
(and containing information as of January 28, 2013)

Item 1: ANNUAL MD&A

Forward-looking Information

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Stina Resources Ltd. (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Company exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

NATURE OF BUSINESS:

Stina Resources Ltd. (the "Company") is incorporated under the laws of British Columbia and is engaged in the acquisition, exploration and development of resource properties. The Company's primary activity is the exploration of the Dime and Kodiak Gold properties in the Klondike Region of the Yukon, Canada, in addition to the Bisoni McKay Vanadium Property in northern Nevada.

The Company's shares are traded on the TSX Venture Exchange under the symbol SQA.

1.1 DATE

The following discussion and analysis was approved by the Directors of the Company and should be read in conjunction with the audited financial statements for year ended September 30, 2012, and unaudited financial statements for the quarters ending June 30, 2012, March 31, 2012, December 31, 2011, and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

1.2 OPERATIONS DETAIL AND FINANCIAL CONDITIONS:

(a) Acquisitions & Dispositions:

See Note 7 – Exploration and Evaluation Assets of the Company's annual Financial Statements for the year ended September 30, 2012.

1) <u>**Bisoni McKay Vanadium Property in Nevada**</u>

In 2005 the company entered into an option agreement with Vanadium International Corp. (VIC) to acquire 50% of the rights to 19 mining claims covering 392.6 acres, located in Nye County, Nevada, USA, called the Bisoni McKay Vanadium Property. In earning its interest, the Company made cash payments totaling $250,000, issued 1,250,000 shares to Vanadium, and funded $700,000 of exploration activities.
On July 3, 2008 the Company issued an additional 800,000 common shares to VIC in a shares for debt arrangement to complete the initial 50% acquisition, then issued an additional 1,995,600 shares at a deemed price of $1 (Canadian) per share

to Vanadium as payment of the $2-million (U.S.) purchase price (based on a deemed exchange rate of $1 (Canadian):$1.0022 (U.S.)) to VIC as option payment for the remaining 50% of the property. Stina now holds 100% of the rights to 37 mineral claims on the property. In the subsequent period (January 2013) the Company Directors elected to impair the property value by $1,962,257 effective September 30, 2012. Managements' review for indications of impairment primarily considered that the acquisition costs of this property appeared non-recoverable in the current market. The acquisition costs were primarily based on 3,245,000 common shares that were issued at an average cost of $0.78 per share. In today's market, or specifically at September 30, 2012, the shares would be worth $0.18 per share. The Company has recorded an impairment charge of $1,962,257 in the current year to decrease the carrying value of the property based on market indicators. In addition, the Company has not conducted a significant work program in four years. **(See section 1.3 (3) below)**

2) **<u>Zeibright Gold Property in California</u>**

On February 19, 2009, the Company entered into an option agreement with Steephollow Resources Inc. ("SRI"), pursuant to which SRI has agreed to grant the Company an option to purchase a 100% beneficial interest in certain mining claims located in Nevada County, California, United States. The claims were subject to a 2% NSR. The Company decided not to proceed with the option on February 18, 2011 and wrote down staking and claim costs of $1,402.

3) **<u>Kodiak Gold Property in the Yukon</u>**

On June 19, 2009 the Company entered into an option agreement with Ryanwood Exploration Inc. ("REI") to purchase a 100-per-cent beneficial interest in 152 mining claims located in the Dawson mining district, Yukon Territory, generally known and described as the Kodiak Property, subject to a 2-per-cent net smelter interest in favour of REI.

Pursuant to the option agreement, to exercise the option the Company must:

<u>Pay to REI:</u>

- $75,000 within five days after the approval date of the option agreement by the TSX-V (Paid);
- $50,000 on or before June 15, 2010; (Paid)
- $100,000 on or before June 15, 2011; (Paid)
- $75,000 on or before June 15, 2012, extended to November 18, 2012 ($37,500 paid June 13, 2012 and $37,500 paid November 13, 2012)
- $75,000 on or before June 15, 2013.

<u>Issue and deliver to REI:</u>

- 250,000 common shares of the company within five days after the approval date of the option agreement by the TSX V (Issued);
- 200,000 common shares of the company on or before June 15, 2010; (Issued)
- 200,000 common shares of the company on or before June 15, 2011; (Issued)
- 200,000 common shares of the company on or before June 15, 2012; (Issued)
- 250,000 common shares of the company on or before June 15, 2013.

<u>Incur expenditures:</u>

- In the amount of $100,000 on or before Nov. 18, 2009; (Incurred)
- In the additional amount of $200,000 on or before Nov. 15, 2010; (Incurred)
- In the additional amount of $300,000 on or before Nov. 15, 2011; (Extended to November 18, 2013)
- In the additional amount of $500,000 on or before Nov. 15, 2012. (Extended to November 18, 2013)

The Kodiak property claim block consists of 152 claims covering 30 square kilometers or 6400 acres and ties on to the southern side of Kinross Gold Corp white gold property. The Kodiak claim block also straddles Thistle creek which was the richest placer gold-producing creek in the area given up more than 63,000 ounces of placer gold since the turn of the century.

REI is the property vendor for Kinross Gold Corps' (formerly Underworld Resources Inc's) White Property and has re-evaluated the Geological Survey of Canada database for similar positive indicators for white-style mineralization. The GSC airborne magnetic data indicate the Kodiak claims are sitting on the same regional north - south magnetic high anomaly that Kinross Gold Corp's White Gold Property is now covering. The GSC silt survey of the Thistle area indicates a 90-per-cent percentile gold anomaly, a 98-per-cent percentile arsenic anomaly and up to 99-per-cent percentile silver anomaly all draining from the Kodiak property. Again, all positive indicator elements in white-gold-style mineralization. The third piece of data that increases the Kodiak potential is the GSC geology map. The GSC geology map has noted a northwest and northeast trending regional structure and the same geological units were mapped by the GSC on both the white and Kodiak properties which consist of DMa amphibolites, DMogt orthogneiss, and DMps quartz mica schist.

Results from the 2010 soil survey have extended the main 2009 northwest-trending soil anomaly (Main Northwest trend) to a strike length of four km and defined a second parallel four km long anomaly, with values up to 856.8 ppb gold (No. 2 Northwest trend), approximately one km to the southwest. The location that had a 856.8 ppb gold could not be trenched due to steep topography. Infill sampling on the Zipper trend in 2010 has outlined a gold anomalous zone at the junction of the northerly Zipper trend with the Main Northwest trend

4) **Dime Gold Property in the Yukon**

On July 23, 2009 the Company entered into an option agreement with Ryanwood Exploration Inc. ("REI") to acquire a 100 per-cent beneficial interest in 128 mining claims located in the Dawson mining district, Yukon Territory, generally known and described as the Dime Property, subject to a 2-per-cent net smelter interest in favour of REI (the Company has the option to purchase one-half of the net smelter return royalty for a payment of $2-million).

Pursuant to the option agreement, to exercise the option the Company must:

<u>Pay to REI:</u>
- $125,000 within 15 days after the approval date of the option agreement by the TSX Venture Exchange; (Paid)
- $125,000 on or before June 26, 2010; (Paid)
- $100,000 on or before June 26, 2011; (Paid)
- $100,000 on or before June 26, 2012, extended to November 18, 2012 ($50,000 paid June 13, 2012 and $50,000 paid November 18, 2012- $150,000 on or before June 26, 2013.

<u>Issue and deliver to REI:</u>
- 200,000 common shares of the company within five days after the approval date of the option agreement the TSX Venture Exchange; (Issued)
- 200,000 common shares of the company on or before June 26, 2010; (Issued)
- 300,000 common shares of the company on or before June 26, 2011; (Issued)
- 300,000 common shares of the company on or before June 26, 2012; (Issued)
- 250,000 common shares of the company on or before June 26, 2013.

<u>Incur expenditures:</u>
- In the amount of $100,000 on or before Nov. 15, 2009; (Incurred)
- In the additional amount of $250,000 on or before Nov. 15, 2010; (Incurred)
- In the additional amount of $500,000 on or before Nov. 15, 2011; (Incurred)
- In the additional amount of $750,000 on or before Nov. 15, 2012. (Incurred)

The Dime property is located 42 kilometers northwest of the Kinross (formerly Underworld's) White Gold project and covers a well-known placer gold creek called Ten Mile. Ten Mile creek has produced coarse placer gold since the turn of the century and the placer deposits are believed to be locally derived. In 1998 Teck Corp. staked the ground surrounding two placer gold districts in the Dawson area. One was the area now covered by Kinross Gold Corp. Underworld's White Gold property and the second one was a claim package in the Ten Mile Creek area. Teck worked on both properties for two or three seasons and successfully identified several promising targets. The company changed its focus in 2000 and dropped all their gold exploration efforts in the Dawson area, except claims in the 10 Mile area, which it optioned to Radius Gold.

In early 2010, the Company announced results of 2009 exploration consisting of a 191-soil-sample program, collected on a grid covering about 37 hectares on the Dime property. The gold values in the survey reached as high as 6,082 parts per billion or six grams per ton gold and defined an easterly trend. The 2010 soil survey collected a total of 3401 soil samples covering a total of 13.2 square kilometers, or (1,322 hectares) or 3268 acres (5.1 square miles) which represent 21% of the property sample so far. Three new gold soil anomalies were discovered. The soil anomalies were named as geographic locations relative to each other hence the names are, West anomaly, Central anomaly, and East anomaly. The three gold soil anomalies appear to be structurally controlled with the West soil anomaly running in an east west direction (following a slight east west magnetic anomaly), the Central Anomaly is center on a north south magnetic low structure and the Eastern soil anomaly appears to be related to separate north south magnetic low structure. Follow-up trenching (1,125 m in nine trenches) confirmed the soil results from anomalies with better results.

A five hole drilling program included 5 core drill holes totaling 657 meters from three separate drill pads. Two pads (2 holes each) were located on the western anomaly near the high soil sample, and one pad on the eastern anomaly. The program was successful in hitting mineralization in every hole, including 0.71 g/t over 32 m, and 4.15 g/t over 1.5m on holes 4 and 3 respectively. The Dime gold property is a significant new discovery in the White gold district and Stina is pleased with the results of the 2010 program.

5) **Searchlight Property, Nevada**

On February 2, 2012, the Company signed a Memorandum of Understanding (MOU) with Royal Mines Inc. (RMI) to acquire a 70-per-cent interest in a mining lease claim, and a 40-per-cent interest in 20 claims surrounding the lease claim, located in southern Nevada. Under the proposed agreement Stina would earn a 70-per-cent interest in the Smith lease property in the Searchlight mining district of Nevada, as well as a 40-per-cent interest in Royal Mines' 100-per-cent interest in the 20 Piute claims, also in the Searchlight mining district in Nevada. To acquire interest of the claims package, Stina would agree to complete $100,000 of exploration work on the properties within 12 months and a further $900,000 within three years of the formal agreement with Royal Mines.

On September 28, 2012 the Company announced that it would not be proceeding with Memorandum of Understanding with Royal Mines. Inc.

6) **Bandit Blackwater Property, British Columbia**

On June 7, 2012 The Company entered into an option agreement with Copper Creek Gold Corp. to earn a 60-per-cent interest in the Bandit property, located in the Blackwater gold district of central British Columbia, approximately 137 kilometres southwest of the city of Prince George, and more specifically in the Nechako plateau. The property consists of three contiguous claims, the Bandit, the Smokey, and the Burt, for a total of 8,732 hectares. Copper Creek Gold holds a 100-per-cent interest in the three property claims.

Pursuant to the option agreement, the company must issue a total of 400,000 common shares and expend $2-million on exploration as follows:

1. Issue and deliver to Copper Creek:
    a. 100,000 common shares of the company within five days after the approval date of the option agreement by the TSX Venture Exchange (issued);
    b. 100,000 common shares of the company on or before June 15, 2013;
    c. 100,000 common shares of the company on or before June 15, 2014;
    d. 100,000 common shares of the company on or before June 15, 2015.
2. Incur a total of $2-million in work cost expenditures as follows:
    a. In the amount of $100,000 on or before June 15, 2013 (incurred);
    b. In an additional amount of $650,000 on or before June 15, 2014;
    c. In an additional amount of $500,000 on or before June 15, 2015;
    d. In an additional amount of $750,000 on or before the fourth anniversary of TSX Venture Exchange approval.

See Section 1.3 (6) below for recent exploration information

Effective September 30, 2102, the Company has recorded an impairment charge of $268,786 as exploration results received subsequent to year end suggested nominal mineralization. As exploration results received subsequent to year end suggested nominal mineralization, the Company is unlikely to carry on with the option.

Selected Financial Information:

The following table sets forth selected audited financial information of the Company for the last 3 completed financial years.

	FISCAL YEARS ENDED		
	September 30, 2012*	**September 30, 2011***	**September 30, 2010**
Total Revenue	$ -	$ -	$ -
Gross Profit	$ -	$ -	$ -
Operating Expenses	$ 569,247	$ 510,245	$ 906,418
Net Income (Loss)	$ (2,791,418)	$ (478,195)	$ (661,363)
Loss Per Share	$ (0.11)	$ (0.02)	$ (0.03)
Total Assets	$ 6,236,076	$ 8,481,353	$ 7,799,729

Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	Sept. 30, 2012*	**June 30, 2012***	**Mar. 31, 2012***	**Dec. 31, 2011***
Total Revenue	$ -	$ -	$ -	$ -
Gross Profit	$ -	$ -	$-	$ -
Oper. Expenses	$ 247,583	$ 92,744	$ 133,849	$ 95,071
Net Income (Loss)	$ (2,472,683)	$ (90,897)	$ (132,872)	$ (94,966)
Income (Loss) Per Share	$ (0.09)	$ (0.00)	$ (0.01)	$ (0.00)
Total Assets	$ 6,236,076	$ 8,355,260	$ 8,351,021	$ 8,567,403
Total Liabilities	$ 200,156	$ 108,877	$ 118,741	$ 202,251
	QUARTERS ENDED			
	Sept. 30, 2011*	**June 30, 2011***	**Mar. 31, 2011***	**Dec. 31, 2010***
Total Revenue	$ -	$ -	$ -	$ -
Gross Profit	$ -	$ -	$ -	$ -
Oper. Expenses	$ 157,877	$ 90,443	$ 185,543	$ 76,382
Net Income (Loss)	$ (122,340)	$ (87,514)	$ (184,603)	$ (83,738)
(Loss) Per Share	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.00
Total Assets	$ 8,481,353	$ 8,471,791	$ 8,359,295	$ 8,612,224
Total Liabilities	$ 213,990	$ 115,440	$ 113,431	$ 267,703

*** In accordance with IFRS**

Expenditure Comparison and Variances – Stina Administration Division:

Increases: $36,502 in Accounting, audit and legal, partly as a result of BCSC examination in quarter three, $75,902 in Salaries and benefits; $42,726 in Share-based payments.

Decreases: ($23,496) in Consulting fees; ($17,393) in Office and sundry; ($51,285) in Travel and promotion.

Expenditure Comparison and Variances – Mineral Exploration Division:

During the period between October 1, 2011 and September 30, 2012 Mineral Exploration Division expenditures totaling $621,747 were classified as exploration and evaluation assets. In addition, a charge of $2,231,043 was classified as an impairment to exploration and evaluation assets , for a total asset of $5,524,094 as of September 30, 2012. Of this amount, $197,603 was classified as acquisition costs.

-See Note 7 of Financial Statements

Comparative mineral exploration and evaluation assets as follows:

	Year ended September 30, 2012	Year ended September 30, 2011
Bisoni McKay Vanadium Property, Nevada, USA		
Acquisition costs:		
Balance, beginning of year	$ 2,859,526	$ 2,859,526
Staking and claim costs	453	-
Balance, end of year	2,859,979	2,859,526
Exploration expenditures:		
Balance, beginning of year	793,133	719,190
Economic study		39,349
Geological consulting	10,359	22,966
Claim fees and staking	3,026	6,147
Storage	6,030	5,481
Balance, end of year	812,548	793,133
Impairment	(1,962,257)	-
Total Bisoni McKay Vanadium Property	$ 1,710,270	$ 3,652,659
Kodiak Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of year	$ 512,675	$ 334,675
Cash payment	37,500	100,000
200,000 shares at $0.16	32,000	-
200,000 shares at $0.39	-	78,000
Balance, end of year	582,175	512,675
Exploration expenditures:		
Balance, beginning of year	379,149	301,772
Assaying		12,835
Geological consulting	188	13,718
Geomagnetic	-	26,830
Helicopter rentals	-	8,704
Trenching	-	15,290
Balance, end of year	379,337	379,149
Total Kodiak Property	$ 961,512	$ 891,824

(continues)

Exploration and Evaluation Assets (cont'd)

	Year ended September 30, 2012	Year ended September 30, 2011
Dime Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of year	$ 648,000	$ 428,000
Cash payment	54,650	100,000
300,000 shares at $0.19	57,000	-
300,000 shares at $0.40	-	120,000
Balance, end of year	759,650	648,000
Exploration expenditures:		
Balance, beginning of year	1,940,906	480,095
Assaying	66,279	65,947
Camp accommodation	16,097	211,117
Drilling	-	402,118
Geological consulting	15,112	203,352
Geomagnetic	-	51,050
Helicopter rentals	6,890	327,871
Soil sampling	15,001	24,613
Salaries	32,375	70,625
Trenching	-	104,118
Balance, end of year	2,092,660	1,940,906
Total Dime Property	$ 2,852,310	$ 2,588,906
Bandit Creek Property, British Columbia, Canada		
Acquisition costs:		
Balance, beginning of year	$ -	$ -
Cash payment	-	-
100,000 shares at $0.10	16,000	-
Balance, end of year	16,000	-
Exploration expenditures:		
Balance, beginning of year	-	-
Assaying	3,360	-
Camp expenses	22,240	-
Drilling	158,426	-
Geological consulting	56,876	-
Soil sampling	11,885	-
Balance, end of year	252,787	-
Impairment	(268,786)	
Total Bandit Creek Property	$ 1	$ -

(continues)

Exploration and Evaluation Assets (cont'd)

	Year ended September 30, 2012	Year ended September 30, 2011
Zeibright Property, California, USA		
Acquisition costs:		
Balance, beginning of year	$ -	$ 1,402
Write down of property	-	(1,402)
Balance, end of year	$ -	$ -
Total Exploration and Evaluation Assets	**$ 5,524,093**	**$ 7,133,389**

Bisoni McKay Budget
A budget of between $50,000 and $137,000 has been set for further metallurgical testing and bulk sampling on material recovered from the Bisoni McKay property.

Yukon Exploration Budget
A budget of between $250,000 and $500,000 has been set for the Dime and Kodiak properties in 2013. (See Section 1.3 below)

Liquidity and Solvency

The company's liquidity will depend upon its ability to raise financing for the continued development of the Bisoni McKay property, the Kodiak property and the Dime property.

During the period ended September 30, 2012 cash resources (including short-term investments) decreased $606,537 from September 30, 2011

As of September 30, 2012 the Company had working capital of $485,996 (September 30, 2011 – $1,106,996).

Capital Resources

The Company's liquidity depends upon its ability to raise additional financing to meet exploration requirements and working capital obligations. The Company raised an additional $3.1 million in September and October 2010 through non-brokered private placements. The Company has cash for 2013 working capital, and is investigating raising capital for the 2013 exploration programs.

1.3 EXPLORATION, NEWS RELEASES & MATERIAL CHANGE REPORTS

1) Kodiak Gold Property in the Yukon Territory

In August 2009 the Company initiated a work program on the Kodiak property in the Dawson Mining District of the Yukon Territory. The Kodiak property claim block consists of 152 claims covering 30 square kilometers or 6400 acres and ties on to the southern side of Underworld White Gold Property. The Kodiak claim block also straddles Thistle creek which was the richest placer gold-producing creek in the area given up more than 63,000 ounces of placer gold since the turn of the century.

Shawn Ryan of Ryanwood Exploration Inc ("REI") was contracted by the Company to establish a grid 6 kilometers long by 2 kilometers wide for acquiring approximately 1,925 soil samples along the anomaly at 50 metre intervals, along north-south lines 100 metres apart. With background gold of 2.5 parts per billion (ppb) over the sample grid, a large contiguous area on the western side of the grid carries greater than four parts per billion gold with accompanying elevated values of arsenic and antimony. This anomalous area is 2,000 metres long and from 100 metres to 750 metres wide. Within this broad area, a cluster of higher gold grades range from 14 ppb to 99 ppb with arsenic from 40 to 676 parts per million and antimony from one part per million to 6.9 ppm. Another cluster of samples located just outside of the elevated gold area carries gold values ranging from 140 ppb to 308 ppb. This anomaly is unique in that there are no elevated arsenic values. Each of these higher-grade clusters covers an area of 250 by 250 metres.

On the eastern side of the grid there is a group of more isolated pockets of elevated gold values also with accompanying arsenic and antimony. Elevated nickel values in soil also occur either with or in the proximity of the anomalous gold zones indicating underlying mafic or ultramafic rocks. Airborne and ground magnetic surveys also support the presence of these rocks on the Kodiak property as well as their existence about 15 kilometres north on the Underworld (Kinross) White gold property.

In addition to the gold anomalies found, the soil survey results are significant for the element associations, the pattern of their distribution and for revealing geologic similarities on the Kodiak property with the Kinross (formerly Underworld) White gold deposits located about 15 km north.

These include the following:

- Arsenic and antimony are common associated elements with gold mineralization.
- The anomalies form three northwest linear trends suggesting a structure control of mineralization on the Kodiak claims.
- On the Underworld's (Kinross) Arc gold deposit, gold is accompanied by arsenic. Underworld's (Kinross) Golden Saddle deposit contains no arsenic. The contrasting arsenic contents are also evident in the anomalies on the Kodiak grid.
- The Kodiak anomalies are at the end of a high magnetic trend that extends from the Underworld (Kinross) White property.
- The soil anomalies at Kodiak are on or between magnetic anomalies that are interpreted as mafic rocks. The elevated nickel values also support this. Similarly, the higher-grade gold mineralization at Underworld's (Kinross) Golden Saddle deposit sits next to ultramafic units with strong magnetic signatures.
- The potential for gold mineralization on the Kodiak block is further supported by historical placer gold production on Thistle Creek that bounds the north side of the claim block, and Kirkman Creek on the south side, and the anomalous silt (stream) sediment values on Kodiak from GSC surveys.

Thus far The positive geochemical results of the soil survey on the Kodiak property fit very well into the anticipated Kinross (formerly Underworld) White model for mineralization potential.

On February 28, 2012 the Company received an updated technical report on the Kodiak property

2010 Work Program

The 2010 Kodiak soil sample program included 2,037 samples for a total of 3,923 samples, covering approximately 60 per cent of the property. Results from the 2010 soil survey have extended the main 2009 northwest-trending soil anomaly (Main NW trend) to a strike length of four km and defined a second parallel 4 km long anomaly, with values up to 856.8 ppb gold (No. 2 Northwest trend), approximately 1 km to the southwest. Infill sampling on the Zipper trend in 2010 has outlined a gold anomalous zone at the junction of the northerly Zipper trend with the Main Northwest trend. A total of 383 m of trenching was completed in 3 trenches based on soil geochemical anomalies obtained in 2009.

2011 Work Program

The 2011 exploration consisted of an air magnetic fly-over survey. The survey further supported the belief that the Kodiak claim block ties onto the south side of the Kinross White Gold property.

2012 Work Program

No significant work was conducted on the Kodiak property in 2012

2013 Work Program

The Company plans to incorporate new sampling technologies on the Kodiak in 2013. Included in this technology would is expected to be direct-push, deep soil sampling in place of trenching, as well as new RC drilling. These new technologies should help better pinpoint and establish new targets, and at a reduced cost.

2) Dime Gold Property

On July 23, 2009 the Company entered into an option agreement with Ryanwood Explorations Inc. to acquire a 100% interest in 152 claims referred to as the Dime Property.

On February 8, 2010 the Company announced results of 2009 exploration consisting of a 191-soil-sample program, collected on a grid covering about 37 hectares on the Dime property. The gold values in the survey reached as high as 6,082 parts per billion or six grams per tonne gold and defined an easterly trend.

The confirmation sampling program conducted in the fall of 2009 consisted of 191 soil samples (plus 10 duplicates) collected on a grid covering about 37 hectares. The confirmation grid is located over the central portion of the original Tech and Fjordland soil anomaly near the southwest boundary of the Dime claim block. The north-south sample lines are 100 metres apart and were sampled at 25-metre intervals. All samples underwent ICP-MS multi-element analysis. The present grid includes only a small portion of the Dime claim block, most of which has yet to be evaluated. Earlier scattered recon soil sampling has revealed additional strong anomalies to the east and northeast of the current grid that have yet to be evaluated.

The soil sample results delineated a prominent east-west belt of very high gold values with most samples ranging from 25 parts per billion to 256 ppb across the 700-metre grid length. The width of this anomalous belt ranges from 100 to 150 metres. The belt widens at the west edge of the grid with a contiguous line of low anomalous gold values from 15 to 25 ppb extending to the north limit of the grid. The east and west ends, and parts of the north and southwest grid limits of the anomaly belt, remain open for further expansion of the anomaly. Additionally, south of the east-west anomaly another cluster of contiguous samples carrying a span of elevated gold values exceeding 15 ppb to 6,082 ppb, the highest value detected on the grid. This area is 300 metres wide and up to 300 metres long in the north-south direction. The west, east and south sides of this anomalous area are also open.

Arsenic values in the soil typically rise and fall with gold values indicating that they belong to the gold mineralization event in the underlying bedrock. In the long stretches of background (1 to 15 ppb) gold values along any sample line, arsenic values usually remain below 30 parts per million. However, in samples exceeding 15 ppb gold, the levels of arsenic quickly rise to hundreds of parts per million. These increased arsenic levels indicate that even lower values of gold from 15 to 25 ppb are related to mineralization and should be considered anomalous for exploration purposes. The highest arsenic value of 765 ppm occurs with the highest gold value of 6,082 ppb. Several other elements such as copper, zinc, lead antimony, molybdenum and cobalt have weaker positive correlations with gold.

The gold values in the survey range from one part per billion to 6,082 ppb, or six ppm. The percentages of the various ranges of gold values in the total sample population are as follows.

- Gold values of one to 15 ppb -- 41 per cent of the population, background values;
- Values of more than 15 to 25 ppb -- 24 per cent of the population, low anomalous values;
- Values of more than 25 to 50 ppb -- 18 per cent of the population, moderately anomalous;
- Values of more than 50 to 100 ppb -- 9 per cent of the population, good anomaly;
- Values of more than 100 ppb -- 3 per cent of the population, very good anomaly.

The soil collected on the grid is indigenous to the bedrock and is not from weathered, transported glacial till or outwash. Therefore, the gold in the soil is relatively close to its bedrock mineralization source. The east-west belt of gold appears to be largely independent of topographic influence and likely reflects a mineralized trend in the bedrock.

The geology of the Ten Mile Creek area, with its numerous gold anomalies and placer occurrences, comprises Jurassic or Cretaceous intrusive and volcanic rocks within Paleozoic metamorphic rocks. This geological terrain lithologic series is known as the Tintina Gold Province belt, that extends for hundreds of miles across the Yukon and Alaska, and contains numerous gold occurrences, including the Pogo deposit. Much of the gold mineralization appears to be directly or indirectly related to the presence of Mesozoic acid to intermediate intrusive-volcanic rocks. The Tintina Gold Province belt is currently one of the most important gold exploration areas in North America, and the Dime claim block, with its promising gold anomalies, is part of it.

2010 Exploration

On August 4, 2010 the Company announced that it had staked an additional 180 claims at the Dime property, to the east, north and west of the existing 128 claims, bringing the total Dime claims to 308, and increasing the property size from 6,400 acres (25 square kilometers) to 15,400 acres (61 square kilometers).

The 2010 soil survey collected a total of 3,401 soil samples covering a total of 13.2 square kilometers, or (1,322 hectares) or 3,268 acres (5.1 square miles) which represent 21% of the property sample so far. Three new gold soil anomalies were discovered. The soil anomalies were named as geographic locations relative to each other hence the names are, West anomaly, Central anomaly, and East anomaly. The three gold soil anomalies appear to be structurally controlled with the West soil anomaly running in an east west direction (following a slight east west magnetic anomaly), the Central Anomaly is center on a north south magnetic low structure and the Eastern soil anomaly appears to be related to separate north south magnetic low structure. Follow-up trenching (1,125 m in nine trenches) confirmed the soil results from anomalies with better results.

Western anomaly: First reported by Teck Corp., measures approximately 1.3 km long by 750 metres wide, has a general east-west trend and includes values up to 578 parts per million arsenic and 6,092 parts per billion gold;

Central anomaly: 1.6 km long by 350 m wide area of anomalous gold (up to 147 ppb Au), arsenic (values up to 1,975 ppm As) and weaker lead in soil values (up to 49 ppm Pb). This anomaly is offset to the north from the western and eastern anomalies;

Eastern anomaly: This anomaly measures 1.8 km long by up to 900 m wide and consists of an Au (values up to 894 ppb Au), As (values up to 1,070 ppm As) and Pb (values up to 167 ppm Pb) geochemical signature.

These areas are related to a sinistral (left lateral) offset on a prominent northwest trending magnetic low and may indicate a major structure.

Results from continuous five-metre chip samples on the Western zone anomaly included a 30 m zone of silicified metasedimentary rocks in Trench 2 returned 0.168 gm/t Au between five and 35m. A five hole drilling program included 5 core drill holes totaling 657 metres from three separate drill pads. Two pads (2 holes each) were located on the western anomaly near the high soil sample, and one pad on the eastern anomaly. The program was successful in hitting mineralization in every hole, including 0.71 g/t over 32 m, and 4.15 g/t over 1.5m on holes 4 and 3 on the Western Zone.

2011 Exploration

During the 2011 season, the Company drilled an additional 14 core holes on the Western and Eastern zones (2,574 metres). Holes DDH-11-6 to 11-8 were collared to follow up on drill results from 2010.

Drilling on the western anomaly, DDH 11-06, DDH 11-07, and DDH 11-08 were drilled from the same drill pad as DDH 10-04 and DDH 10-05. DDH 11-06 returned encouraging values including over 12 metres of 0.90 g/t au, 1.45 metres of 8.32 g/t au, and 1.6 metres of 5.37 g/t au. Holes DDH-11-07 and DDH-11-08 confirmed the presence of a steeply south dipping east-west trending structure with strong silicification, brecciation and pyrite-arsenopyrite sulphide mineralization. DDH-11-07 was drilled at azimuth 020^{o} and an angle of -50^{o} dip. The hole was drilled to 150.26 m (493 ft) depth. DDH-11-08 was drilled at 020^{o} azimuth and –78^{o} dip. DDH 11-07 included a 10.65 metre interval of 1.07 g/t au.

Drilling on the Eastern zone consisted of 2,014 metres in 11 core holes drilled primarily based on trench anomalies. A complex cupola zone of granite-intruding and brecciating metasedimentary rocks underlies the Eastern anomaly. Core was strongly silicified, brecciated and hosted disseminated pyrite and arsenopyrite over significant widths.

Other work completed during the 2011 season included an airborne magnetometer and Radiometric survey over the entire Dime and the Kodiak Property claim blocks. 854 additional auger soil samples were collected, mostly over the Western Anomaly as infill sampling. A 1500 meter trenching program was also completed on the Western Anomaly.

Trench samples consisted of a representative 5-meter continuous chip sample of bedrock and colluviums, weighing on average 6 lb per sample. This method has proven to be very effective in identifying areas for additional surface work or drilling in the South Klondike/White Gold District. Prior to receipt of the 5-meter trench sample results collected by Stina, independent Qualified Person Jean Pautler, P.Geo conducted independent grab samples from the same trenches and reproduced anomalous gold values confirming the sampling completed by Stina.within anomalies

The total field magnetic data from the airborne survey clearly shows two parallel, and very strong linear 7 km long NW-SE trending magnetic low anomalies that are both offset a distance of 1 km along a left lateral zone trending 070 degrees. Total count radiometric has been provided, and that data also reflects the prominent NWSE structures obvious in the magnetic data. The significance of this structural trend NW-SE, along with second and third order structures E-W and NE-SW, are important in the South Klondike/white gold district. All major soil anomalies are located proximal to the 070 degrees lateral offset of the NW-SE trending magnetic lows.

<u>2012 Exploration</u>
In 2012 the Company did some work on the Dime property, including a soil program on the central anomaly. Results were modest, but the Company believes that newer deeper sampling techniques will be more effective (see 2013 exploration below).

On February 22, 2012 the Company received an updated technical report on the Dime property

<u>2013 Exploration</u>
As with the Kodiak property, the Company plans to incorporate new sampling technologies on the Dime property in 2013. Included in this technology would be direct-push, deep soil sampling in place of trenching, as well as new RC drilling. These new technologies should help better pinpoint and establish new targets, and at a reduced cost. In particular the Company expects to further develop the central and eastern anomalies, to better understand the overall system, and work towards developing a resource on the property

3) Bisoni McKay Vanadium Property in Nevada

<u>Exploration Events During Prior Periods</u>
In September 2005 the Company contracted Kettle Drilling of Coeur d'Alene, Idaho and drilled 1,024 feet of diamond core drilling on the Bisoni McKay property. Included was a fence of three holes on the north end of the property, immediately adjacent to Vanadium International's second reverse circulation hole drilled in 2004, as well as adjacent to 1970s Hecla RC holes BMK 17, 18 and 19 respectively, each of which showed strong grades of V2O5 at various intervals. Holes were drilled at angles of 45 degrees, 57.5 degrees and 66 degrees to the northwest.

A second fence of two diamond core holes was drilled on the southern end of the property adjacent to Vanadium International's first reverse circulation hole, and also to Hecla's RC holes BMK 6, 7 and 8 respectively. All four of these RC holes showed reasonable V2O5 grade at various intervals. This was the first diamond drilling ever conducted on the property.

Results of this diamond drilling showed very encouraging results from the northern fence, including grads much higher than from any other drilling on the property. The results from the southern fence of diamond drilling were less encouraging. The Company encountered technical difficulties in drilling these two holes and eventually had to abandon the second hole of this fence. The angle of the holes was reduced to 35 degrees from the planned 57.5 degrees to attempt to overcome these difficulties. As a result, the Company believes that it may have overshot the zone of mineralization encountered the year before by Vanadium International in its reverse circulation drilling.

In November 2005, the Company contracted O'Keefe Drilling of Butte, MT to drill 10 RC holes at 45 degrees angles to the northwest at step out intervals of 210 feet from the two diamond drill fences; 3 holes to the north of the northern fence, 3 to the south of the northern fence, and three holes drilled to the north of the southern diamond drill fence. One RC hole was drilled vertically in Trench ASC50. Results from the three RC holes stepping out south of the northern diamond drill fence were released on November 29, 2005, and which were very encouraging to the Company.

In April 2006 the Company contracted Hazen research of Colorado for the metallurgical and leach testing of vanadium from core and reverse circulation drilling on the Bisoni McKay property in the fall of 2005. Hazen carried out mineralogical characterization to determine the mode of occurrence of vanadium, followed by two sets of tests on samples from three zones: oxidized zone (mudstone), transition zone (mudstone to carbonaceous shale) and unoxidized zone (carbonaceous shale).

<u>The tests comprised of:</u>

(i) direct acid leaching with sulfuric acid, at two grinds and at two temperatures, for a total of 12 experiments; and

(ii) roasting experiments, with at least four roasting conditions for samples from each zone, followed by appropriate leaching, either alkaline or acidic, i.e., a minimum of 12 roasting/leaching experiments.

The tests were designed to define the steps and conditions needed to obtain reasonable vanadium extraction and examine the reagent consumptions in leaching and roasting, and thus develop the first stages of a process flowsheet. The Company received final test results in January 2007, and a report on recovery of oxidized vanadium pentoxide using an acid pug/ leach recovery method, including some results as high as 95%. Test results on transition and carbonaceous material showed recovery as high as 70% and 75% of vanadium pentoxide using a roast/ leach recovery method. Hazen Research also recommended further metallurgical test work to continue the refinement of these processes, as well as explore other recovery options

In May 2007, the Company contracted O'Keefe Drilling of Boise, ID to conduct reverse circulation (RC) drilling on Northern Section "A" of the Bisoni McKay property. A total of 12 RC holes were drilled according to schedule, for a total of 5,130 feet. This drilling campaign was comprised of step-out holes at 100 foot intervals directly north for 700 feet along strike length from core hole fence DDH-05-1/2/3. Additionally, drilling was conducted parallel to the immediate west by 100 feet and north by 700 feet. The result of this campaign is a section approximately 700 feet long by 100 feet wide, with 100 foot intervals, immediately to the north of core hole fence DDH-05 and inclusive of RC holes BMK-05-04, BMK-05-05 and BMK-05-06 drilled by the Company in 2005.

The detailed drilling on the north half of Area A reveals a thick section of vanadiferous carbonaceous shale capped with mineralized weathered, oxidized shale. Vanadium-bearing rock begins essentially on or within a few feet of the surface and continues down-dip below 450 feet, the current depth limit of drilling into vanadium-bearing strata. From Area A-North, the vanadium trend continues south over 6,000 feet to Area B. The character of the mineralization in Area B appears similar to that drilled in Area A, but parts of the trend appear to have been narrowed and thinned by faulting, especially between Area A and Area B. Evidence that the vanadiferous trend continues south of Area B comes from two historic borings and trenching by Hecla Mining Company. The southernmost area of the projected strike of the vanadiferous trend in Area C and beyond is still unexplored.

In the fall of 2007 the Company contracted Edward Ullmer, P. Geo, to produce an updated geological technical report based on the report presented to Stina by JA Mine in 2005, and updated in 2006. The report also included a resource estimate on a sub-section of Northern Section "A" which extends 700 feet long by 100 feet wide, directly north of BMK DDH – 2005, and with 100 foot interval RC drilling. The Company contracted Maptek Co. of Lakewood, CO to conduct the resource estimate.

In February 2008 the Company received a further updated geological technical report from Ed Ullmer, P. Geo, and included a resources estimate, the first ever conducted on the Bisoni McKay property, and which was conducted by Maptek of Lakewood, CO. The report was amended in May 2012 and is available on the company website.

A map of the Bisoni McKay drill locations can be found on the Company website.

<u>2011 Exploration</u>

In the spring of 2011 the Company contracted Lyntek Corp., of Lakewood, CO to conduct a Conceptual Study of the Bisoni McKay to better assess the potential economic viability of the property, the vanadium pentoxide and ferrovanadium markets, and how the property fits into the world vanadium industry. On June 30, 2011, the Company announced that further metallurgical work was required to complete the Conceptual Study, and that it intended to do so. (see news release dated June 30, 2011)

2012 Exploration
No significant work was conducted on the Bisoni McKay Property in 2012.

2013 Exploration
The Company intends to attempt to pair the property with a strategic market, preferably in the vanadium redox battery industry. It is expected that a suspension-based vanadium product would be required for such market, which may or may not be established in the future. Research in this marketing will continue in 2013.

Impairment to Property
Managements' review for indications of impairment primarily considered that the acquisition costs of this property appeared non-recoverable in the current market. The acquisition costs were primarily based on 3,245,000 common shares that were issued at an average cost of $0.78 per share. In today's market, or specifically at September 30, 2012, the shares would be worth $0.18 per share. The Company has recorded an impairment charge of $1,962,257 in the current year to decrease the carrying value of the property based on market indicators. In addition, the Company has not conducted a significant work program in four years.

4) Zeibright Property, California, USA

See 1.2 (2) above.

On February 18, 2011 the Company decided not to proceed with the option and has written down staking/ claim costs of $1,402.

5) Searchlight Property, Nevada, USA

See section 1.2 (5) above

On September 28, 2012 the Company announced that it would not be proceeding with Memorandum of Understanding with Royal Mines. Inc.

6) Bandit Property

See section 1.2 (6) above

2012 Exploration
On November 23, 2012 Copper Creek received assay results from 15 percussion drill holes (1,402 meters) over part of a two-kilometer-by-five-kilometer copper, gold and molybdenum anomaly identified during mobile metal ion (MMI) sampling by Copper Creek in the summer of 2011. Although several values of anomalous copper, gold and silver were encountered, none of the holes reported values of economic importance. The Company Directors have had discussions and have decided not to proceed with the option agreement at this time.

Impairment to Property
With consideration to the impairment standards of recently adopted IFRS, the Company directors have determined there to be an impairment of the Bandit Property carrying value of $268,786. As exploration results received subsequent to year end suggested nominal mineralization, the Company is unlikely to carry on with the option.

7) Bisoni McKay Technical Report Amendment

On March 14, 2012 the Company received from the BCSC, notice of a Technical Disclosure Review on its January 2008 NI

43-101 Technical Report on the Bisoni McKay Vanadium Property. The review outlined a failure to file an NI 43-101 compliant technical report, in particular non-compliant details regarding the mineral resources estimate presented by Maptek in 2008 and metal content references in the Bisoni McKay technical report. Additionally, the review outlined filing issues with respect to Company promotional material relating to the resource estimate, and in news releases dated April 5, 2010 and January 19, 2011.

On April 16, 2012 the Company issued a news release clarifying the non-compliant issues found in the technical report, and clarifying the resource estimate details, in particular cutoff grades of 0.3% and 0.2% were considered and (not 0.1% cutoff) that the resource measurements for these cutoff grades had not changed.

On May 16, 2012 the Company issued a news release stating that the Company had filed an amended NI 43-101 report, accepted by the BCSC.

8) Death of Sidney Mann, Director

The Company regrets to advise that Company director and chief financial officer Sidney Mann passed away. He suffered a heart attack on June 15, in England. Mr. Mann was a cornerstone of the board of directors since 1996, and an integral part of the corporate governance of the company. He was instrumental in the adoption and introduction of new fiscal accounting measures for Stina in 2008, and worked closely in tandem with chief executive officer Jim Wall on the financial aspects of the company. He was a true professional in all aspects of the company's business, and a pillar of strength and insight. Mr. Mann will be solemnly missed by the company board members and officers, who offer condolences to his family, including Sheila and Gavin Mann. A replacement in the company for Mr. Mann has not been considered at this time.

Mr. Mann was the controlling officer of Medan Management Corporation, which was deemed an insider. Since Mr. Mann’s death, Medan has ceased to be registered as an insider.

Recent News Releases

-September 14, 2012 – TSX Venture Exchange Accepts Non-Brokered Financing for 2.1 M Flow Through Units

-September 28, 2012 – Stina ends MOU with Royal Mines Inc. for Smith Lease and Piute Claims

-September 28, 2012 – Stina Closes 2.1 M Flow Through Unit Financing

-October 3, 2012 – Stina and Copper Creek End Bandit Exploration Program

-November 23, 2012 – Stina and Copper Creek Receive Bandit Assays

1.4 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-Balance Sheet Arrangements

1.5 TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with and had balances due to and from related parties as at September 30, 2012 and for the period then ended as follows (with comparative figures as at September 30, 2011 and for the period then ended.)

The Company entered into the following transactions with related parties:

a) The Company incurred consulting fees in the amount of $66,000 (2011 - $63,000) with a company owned by a director for consulting services.

b) The Company incurred consulting wages in the amount of $66,000 (2011 - $33,000) with a senior officer and director.

c) The Company incurred consulting wages in the amount of $42,000 (2011 - $38,500) with a director.

d) At September 30, 2012, prior advances totalling $48,356 (September 30, 2011 - $60,483) were due to a company controlled by a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

e) At September 30, 2012, advances totalling $nil (September 30, 2011 - $1,163) were due from a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

f) At September 30, 2012, advances totalling $nil (September 30, 2011 - $840) were due from a senior officer and director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel compensation

	Years ended September 30,	
	2012	2011
Short-term employee benefits – management fees	$ -	$ -
Short-term employee benefits - consulting fees	66,000	63,000
Short-term employee benefits – salaries and wages	108,000	71,500
Share-based payment	162,025	-
	$ 336,025	$ 134,500

-See note 11 of Financial Statements

1.6 PROPOSED TRANSACTIONS/COMMITMENTS

The Company has engaged in no other proposed transactions or commitments outside of what has been outlined in this report at this time.

1.7 CRITICAL ACCOUNTING ESTIMATES

Use of Estimates:

The company's financial statements have been prepared in conformity with International Financial Reporting Standards and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, allocations between exploration projects, the fair value of investments and share-based compensation, asset retirement obligations and the recoverability of future income tax assets. Financial results as determined by actual events could differ from those estimates.

Risk Management:

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. Observed potential risks include those for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. Company management acknowledges that there is no certainty that all environmental risks and contingencies have been addressed.

Financial Risk Management:
The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk:
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivables. Cash accounts are held with a major bank in Canada. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Currency Risk:
The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as one of its resource property interest are located in the United States. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk:
The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates.

Liquidity and Funding Risk:
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

The Company is not utilizing any other financial instruments other than cash at this time.
Funding Risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable market terms and conditions.
Under current market conditions both liquidity and funding risks have been assessed as medium to high.

Stock-based compensation:

The Company follows the guidelines of the IFRS 2 –"Share Based Payment", relating to stock-based compensation and other stock-based Payments. The Company follows a fair-value method for all stock-based compensation and similar stock based awards to directors, employees and consultants. Where the Company has issued options that vest over a period of expected service, the fair value of the options at the date of grant is estimated and charged to income over the respective vesting periods.

1.8 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date is October 1, 2010.

As a result, the Company has prepared these audited annual financial statements for the year ended September 30, 2012 in accordance with IFRS. IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB"), and are comprised of IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretation Committee ("IFRICs") or the former Standing Interpretations

Committee ("SICs"). The Company disclosed its significant accounting policies as described in Note 2 of the Company's audited annual financial statements as at and for the year ended September 30, 2012.

The Company's audited annual financial statements as at and for the year ended September 30, 2012 have been prepared in accordance with existing IFRS standards with restatements of comparative statements of financial position as at September 30, 2011 and October 1, 2010 and statements of comprehensive loss for the year ended September 30, 2011 as previously reported and prepared in accordance with Canadian GAAP.

Note 14 to the annual financial statements provide more detail on key Canadian GAAP to IFRS differences, accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1"), optional exemptions for significant or potentially significant areas that have had an impact on the Company's financial statements on transition to IFRS or may have an impact on future periods.

New Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2011, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- New standard IFRS 9 "Financial Instruments" - This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2015. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

- IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

- IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

- IFRS 12 Disclosure of Interests in Other Entities - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

- IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

- IFRS 20 Stripping Costs in the Production Phase of a Surface Mine - In IFRIC 20, the IFRS Interpretations Committee sets out principles for the recognition of production stripping costs in the balance sheet. The interpretation recognizes that some production stripping in surface mining activity will benefit production in future periods and sets out criteria for capitalizing such costs. While the Company is not yet in the production phase, the Company is currently assessing the future impact of this interpretation.

- Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Each of the new standards, IFRS 10 to 13 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

1.9 FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, short term investments, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.10 OTHER MD&A REQUIREMENTS

Additional information relating to the Company's operations and activities can be found by visiting the Company's website www.stinaresources.com as well as numerous news releases and 43-101 reports filed on SEDAR at www.sedar.com

A. Authorized and Issued Share Capital as at September 30, 2012:

Authorized: Unlimited common shares without par value

Issued and outstanding: 28,737,499 common shares

See Note 9 – Share Capital of the Financial Statements

B. Options, Warrants & Convertible Securities Outstanding as at September 30, 2012:

<u>Stock options</u>

Under the Company's Incentive Share Option Plan, the Company may grant options to employees, consultants and directors when the number of shares reserved does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years.

The following employee stock options are vested and exercisable:

Number of shares	Exercise price - $ -	Expiry Date
375,000	0.30	November 3, 2014
825,000	0.46	August 5, 2015
250,000	0.33	March 16, 2016
800,000	0.15	July 3, 2017
2,250,000		

Escrow shares

As of September 30, 2012 no shares were held in escrow

Share purchase warrants

As of September 30, 2012 the following share purchase warrants were outstanding:

No. of warrants	Exercise price	Expiry Date
729,826	$0.85	October 19, 2012 (Sub Exp)
2,100,000	0.45	September 3, 2013
2,829,826		

C. Subsequent Events

On October 19, 2012, a total of 729,286 warrants exercisable at $0.85 expired unexercised.

D. Evaluation of Disclosure Controls and Procedures

Based on our evaluation for the quarter ended September 30, 2012, and up to the date of this Management Discussion and Analysis, we have concluded that our disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information required to be disclosed in the Company's interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and CEO, as appropriate to allow timely decisions regarding required disclosure.

E. Corporate Governance Disclosure

The company has submitted to its members and shareholders details in the Information Circular dated May 21, 2011 Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. Management encourages and promotes a culture of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

STINA RESOURCES LTD.

CORPORATE DATA

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Jim Wall, CEO, Secretary/ Director
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Listing

TSX Venture Exchange
Symbol: SQA