SERENGETI
RESOURCES INC.

Condensed Consolidated Interim Financial Statements

Six Months Ended August 31, 2012

(Unaudited – prepared by Management)

(Expressed in Canadian Dollars)

Condensed Consolidated Unaudited Interim Financial Statements

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim unaudited financial statements for the six months ended August 31, 2012.

Serengeti Resources Inc.
Condensed consolidated interim statements of financial position
(Expressed in Canadian dollars - unaudited)

	Notes	August 31, 2012	February 29, 2012
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 1,789,364	$ 3,084,337
Receivables	4	153,401	249,235
Prepaid expenses		39,917	31,788
		1,982,682	3,365,360
Non-current assets			
Reclamation deposits	5	90,024	90,024
Long-term receivable	4	612,093	612,093
Equipment	6	40,753	48,955
Exploration and evaluation assets	7	21,193,764	20,451,776
		21,936,634	21,202,848
TOTAL ASSETS		**$ 23,919,316**	**$ 24,568,208**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8	$ 339,685	$ 153,759
Non-Current liabilities			
Flow-through share premium liability		66,164	66,164
TOTAL LIABILITIES		**405,849**	**219,923**
SHAREHOLDERS' EQUITY			
Share capital	10	38,564,432	38,564,432
Reserves	10	7,245,590	7,162,333
Deficit		(22,296,555)	(21,378,480)
TOTAL SHAREHOLDERS' EQUITY		**23,513,467**	**24,348,285**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 23,919,316**	**$ 24,568,208**

Serengeti Resources Inc.
Condensed consolidated interim statements of comprehensive loss
(Expressed in Canadian dollars - unaudited)

	Three month period ended	August 31,	Six month period ended	August 31,
	2012	2011	2012	2011
Expenses				
Consulting	$ 36,358	$ 45,684	$ 60,587	$ 78,901
Conventions and tradeshows	7,235	7,046	31,432	18,170
Depreciation	2,096	1,972	4,192	4,169
Director fees	20,000	19,750	40,000	39,500
Foreign exchange	22,316	28,157	33,637	22,877
Investor relations	24,675	27,938	62,590	80,184
Management fees	45,220	31,757	92,485	68,689
Office and miscellaneous	31,673	33,188	70,739	75,574
Professional fees	22,320	32,769	41,721	41,456
Project investigation costs	46,521	90,950	134,614	161,641
Share-based payments	28,425	91,924	83,257	233,531
Transfer agent and filing fees	11,046	13,730	13,830	16,309
Wages and salaries	25,792	28,627	61,251	59,405
	(323,677)	(453,492)	(730,335)	(900,406)
Other items				
Interest income	263	44,717	14,533	51,798
Exploration and evaluation assets written-down	(72,317)	(17,564)	(202,273)	(17,564)
Loss before income taxes	(395,731)	(426,339)	(918,075)	(866,172)
Comprehensive loss for period	**$ (395,731)**	**$ (426,339)**	**$ (918,075)**	**$ (866,172)**
Loss per share – basic and diluted	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.02)**
Weighted average number of common shares outstanding	**51,100,221**	**49,909,308**	**51,100,221**	**48,368,825**

Serengeti Resources Inc.
Condensed consolidated interim statements of changes in shareholders' equity
(Expressed in Canadian dollars - unaudited)

	Share capital		Reserves		
	Number of shares	Amount	Share-based payment reserve	Deficit	Total
Balance at February 28, 2011	46,811,222	$ 37,567,263	$ 6,812,545	$ (19,612,922)	$ 24,766,886
Shares issued to acquire exploration and evaluation asset	75,000	21,000	-	-	21,000
Share issued for cash - private placement	4,213,999	1,306,340	-	-	1,306,340
Flow-through share premium	-	(252,840)		-	(252,840)
Share issue costs - cash		(70,331)		-	(70,331)
Share-based payments	-	-	233,531	-	233,531
Loss for the period	-	-	-	(866,172)	(866,172)
Balance at August 31, 2011	**51,100,221**	**$ 38,571,432**	**$ 7,046,076**	**$ (20,479,094)**	**$ 25,138,414**
Balance at February 29, 2012	**51,100,221**	**$ 38,564,432**	**$ 7,162,333**	**$ (21,378,480)**	**$ 24,348,285**
Share-based payments	-	-	83,257	-	83,257
Loss for the period	-	-	-	(918,075)	(918,075)
Balance at August 31, 2012	**51,100,221**	**$ 38,564,432**	**$ 7,245,590**	**$ (22,296,555)**	**$ 23,513,467**

Serengeti Resources Inc.
Condensed consolidated interim statements of cash flows
(Expressed in Canadian dollars - unaudited)

	Three month period ended	August 31,	Six month period ended	August 31,
	2012	2011	2012	2011
Operating activities				
Loss for the year	$ (395,731)	$ (426,339)	$ (918,075)	$ (866,172)
Adjustments for non-cash items:				
Depreciation	4,118	3,710	8,202	5,908
Share-based payments	28,425	91,924	83,257	233,531
Exploration and evaluation assets written-down	72,317	17,564	202,273	17,564
Changes in non-cash working capital items:				
Receivables	(7)	(160,610)	100,843	(252,353)
Prepaid expenses	(700)	(19,398)	(8,129)	(21,689)
Trade payables and accrued liabilities	(19,215)	316,995	(29,179)	366,375
Net cash flows used in operating activities	(310,793)	(176,154)	(560,808)	(516,836)
Investing activities				
Expenditures on exploration and evaluation assets	(1,488,226)	(1,131,547)	(1,872,789)	(1,393,190)
Less: costs recovered	1,080,225	100,886	1,138,624	130,379
Expenditures on equipment	-	4,416	-	(49,226)
Reclamation deposits	-	(5,000)	-	(5,000)
Mineral exploration tax credit refund	-	2,877,772	-	2,877,772
Net cash flows used in investing activities	(408,001)	1,846,527	(734,165)	1,560,735
Financing activities				
Proceeds on issuance of common shares – net of share issue costs	-	1,229,009	-	1,229,009
Net cash flows provided by financing activities	-	1,229,009	-	1,229,009
Decrease in cash and cash equivalents	(718,794)	2,899,382	(1,294,973)	2,272,908
Cash and cash equivalents, beginning of period	2,508,158	1,647,741	3,084,337	2,274,215
Cash and cash equivalents, ending of period	**$ 1,789,364**	**$ 4,547,123**	**$ 1,789,364**	**$ 4,547,123**

(Expressed in Canadian dollars - unaudited)

1. Nature and continuance of operations

Serengeti Resources Inc. (the "Company") was incorporated on March 5, 1973, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and Mexico. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "SIR.V".

The head office and principal address of the Company is located at 750 West Pender Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2T8. The Company's registered and records office address is 1185 West Georgia Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 4E6.

These condensed consolidated interim 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 August 31, 2012, the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. These material circumstances may cast significant doubt upon the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements are unaudited and prepared on a condensed basis in accordance with the International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board. These condensed interim financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company's Annual Financial Statements as at and for the year ended February 29, 2012. Accordingly, these condensed interim statements for the six month periods end August 31, 2012 and 2011 should be read together with the Annual Financial Statements as at and for the year ended February 29, 2012.

These condensed interim financial statements of the Company were approved by the Board of Directors on October 30, 2012.

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	August 31 2012	February 29, 2012
Cash at bank	$ 105,364	$ 309,333
Guaranteed investment certificates	1,684,000	2,775,004
	$ 1,789,364	$ 3,084,337

(Expressed in Canadian dollars - unaudited)

4. Receivables

	August 31 2012	February 29, 2012
HST / GST receivable	$ 141,350	$ 217,686
Other receivables	12,051	31,549
	$ 153,401	$ 249,235

Long-term receivable consists of the exploration tax credit for the 2011 taxation year.

5. Reclamation deposits

The Company has posted certain bonds and investment certificates to provide for certain potential reclamation liabilities as agreed with the Province of British Columbia – Ministry of Energy, Mines and Petroleum Resources.

	August 31 2012	February 29, 2012
Balance, beginning of period	$ 90,024	$ 90,024
Additions	-	-
Balance, end of period	$ 90,024	$ 90,024

(Expressed in Canadian dollars - unaudited)

6. Equipment

		Motor vehicles		Leasehold improvements		Computer equipment		Furniture and equipment		Total
Cost:										
At February 29, 2012	$	27,803	$	11,265	$	21,665	$	5,292	$	66,025
Additions		-		-		-		-		-
Disposals		-		-		-		-		-
At August 31, 2012		27,803		11,265		21,665		5,292		66,025
Depreciation:										
At February 28, 2012		5,954		2,816		6,945		1,355		17,070
Additions		4,030		1,408		2,208		556		8,202
Eliminated on disposal		-		-		-		-		-
At August 31, 2012		9,984		4,224		9,153		1,911		25,272
At August 31, 2012	**$**	**17,819**	**$**	**7,041**	**$**	**12,512**	**$**	**3,381**	**$**	**40,753**

		Motor vehicles		Leasehold improvements		Computer equipment		Furniture and equipment		Total
Cost:										
At February 28, 2011	$	-	$	-	$	16,799	$	-	$	16,799
Additions		27,803		11,265		4,866		5,292		49,226
At February 29, 2012		27,803		11,265		21,665		5,292		66,025
Depreciation:										
At February 28, 2011		-		-		420		-		420
Additions		5,954		2,816		6,525		1,355		16,650
At February 29, 2012		5,954		2,816		6,945		1,355		17,070
At February 29, 2012	**$**	**21,849**	**$**	**8,449**	**$**	**14,720**	**$**	**3,937**	**$**	**48,955**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related spending commitments for the six month period ended August 31, 2012:

	Canada				Mexico	
	Kwanika	Quest JV	Tchentlo / Choo	Other		Total for six month period ended August 31, 2012
Property acquisition costs						
Balance, beginning of period	$ 200,996	$ 116,078	$ 71,025	$ 558,594	$ 105,751	$ 1,052,444
Additions	1,134	21,063	143	1,983	28,300	52,623
Balance, end of period	$ 202,130	$ 137,141	$ 71,168	$ 560,577	$ 134,051	$ 1,105,067
Exploration and evaluation costs						
Balance, beginning of period	$ 16,812,182	$ 469,133	$ 378,128	$ 979,058	$ 760,831	$ 19,399,332
Costs incurred during period:						
Aircraft	35,546	-	336,423	4,462	-	376,431
Analysis	4,010	6,801	32,973	9,086	119,692	172,562
Camp and operations	52,811	966	153,816	2,245	171,986	381,824
Consulting	96,372	5,371	70,249	16,185	14,980	203,157
Drilling	190,468	-	336,210	31	231,737	758,446
Geophysics	1,875	-	250	2,759	-	4,884
Line cutting	360	-	-	-	-	360
Travel and accommodation	9,347	1,582	9,528	2,688	19,802	42,947
Value added tax	-	-	-	-	86,626	86,626
	390,789	14,720	939,449	37,456	644,823	2,027,237
Other:						
Option payment and recovered costs		(43,218)	(1,095,107)	-	-	(1,138,325)
Write-downs	-	-	-	(2,419)	(197,128)	(199,547)
	-	(43,218)	(1,095,107)	(2,419)	(197,128)	(1,337,872)
Balance, end of period	$ 17,202,971	$ 440,635	$ 222,470	$ 1,014,095	$ 1,208,526	$ 20,088,697
Total	$ 17,405,101	$ 577,776	$ 293,638	$ 1,574,672	$ 1,342,577	$ 21,193,764

7. Exploration and evaluation assets (cont'd)

a) Kwanika

The Kwanika property is 100% owned by the Company and is located in the northern portion of the Quesnel Trough, British Columbia.

b) Quest Joint Venture

The properties described as the Quest Joint Venture, and located in the Quesnel Trough, British Columbia, have two distinct and different joint venture and option agreements underway, as follows:

(i) In August 2007, the Company entered into a 50/50 joint venture agreement with Fjordland Exploration Inc.("Fjordland") to jointly explore certain of the properties.

On May 22, 2009, Fjordland informed the Company it had elected not to participate in the 2009 exploration program and would take dilution of its joint venture interest on a go forward basis, based on the Company expending further exploration dollars on these properties

The Company continued to fund the exploration program, and at period end had increased its interest to approximately 64%.

The Company and Fjordland have one director in common.

(ii) On August 25, 2011 the Company and Fjordland entered into an option agreement with Xstrata Copper Canada ("Xstrata"), a business unit of Xstrata Canada Corporation, on properties jointly held by the Company and Fjordland. Xstrata has the right to earn an initial 51% interest in the properties by funding $5 million in exploration expenditures and by making optional cash payments to the joint venture over four years totalling $325,000, ($47,155 paid todate). Xstrata also has the right to earn an additional 14% interest for an aggregate 65% interest in the properties by completing a feasibility study or incurring no less than an additional $25 million in expenditures on the properties.

c) Other Properties

The Company owns 100% of certain properties located in the Cariboo, Omineca and Skeena Mining Divisions of British Columbia.

On April 28, 2011, the Company entered into an option agreement with Phelps Dodge Corporation of Canada, Limited ("PDDC"). The agreement provides PDCC the right to earn an initial 51% interest in the Company's Tchentlo and Choo properties by funding US $5 million in exploration expenditures over four years. At that point, either party may elect to form a 51-49% joint venture. In the event that neither party elects to form a joint venture, PDDC has the right to earn an additional 19% interest, for an aggregate 70% interest in the properties, by fully funding and completing a feasibility study. PDCC will be required to make option cash payments totaling US $230,000 during the option period, paid to date US 80,000.

(Expressed in Canadian dollars)

7. Exploration and evaluation assets (cont'd)

c) Other Properties (cont'd)

Further to the PDCC agreement, the Company agreed to purchase a 100% interest in the Camp and Mil claim blocks from local prospectors for total consideration of 75,000 common shares (issued at a value of $21,000). (See Note 15)

d) Mexico

The Company, through its wholly owned Mexican subsidiary, owns 100% title to six properties located in the states of Chihuahua and Durango, northern Mexico

During the six month period ended August 31, 2012, the Company recognized write-downs of $197,128 (2011-$nil) on certain of the properties which are being abandoned.

8. Trade payables and accrued liabilities

	August 31 2012	February 29, 2012
Trade payables	$ 251,580	$ 96,215
Amounts due to related parties (Note 11)	21,517	18,834
Accrued liabilities	66,588	38,710
	$ 339,685	$ 153,759

9. Commitments

As at August 31, 2012, future payments required under non-cancellable operating leases for premises contracted for but not capitalized in the financial statements are as follows:

Payable not later than one year	$ 31,753
Payable later than one year and not later than five years	51,681
Total future minimum lease payments	$ 83,434

10. Share capital and reserves

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At August 31, 2012 there were 51,100,221 issued and fully paid common shares (February 28, 2012 – 51,100,221).

(Expressed in Canadian dollars)

10. Share capital and reserves (cont'd)

Basic and diluted loss per share

The basic and diluted loss per share for the six month period ended August 31, 2012 was $0.02 (2011 - $0.02). The calculation of basic and diluted loss per share for the six month period ended August 31, 2012 was based on the loss attributable to common shareholders of $918,075 (2011 - $866,172) and the weighted average number of common shares outstanding of 51,100,221 (2011 – 48,368,825). The diluted loss per share does not include the effect of stock options or warrants as they are anti-dilutive. As of August 31, 2012, the total number of potentially dilutive shares excluded from the calculation of loss per share was 7,911,999 (2011 – 6,245,000).

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 policies, grant to directors, officers, employees and technical consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed a fixed total of 9,230,000. Such options will be exercisable for a period of up to 5 years from the date of grant.

The changes in options during the periods ended August 31, 2012 and February 29, 2012 are as follows:

	August 31, 2012		February 29, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	6,245,000	$ 0.41	5,455,000	$ 0.55
Options granted	75,000	0.12	1,830,000	0.26
Options expired	(515,000)	1.31	(620,000)	1.20
Options forfeited	-	-	(420,000)	0.39
Options outstanding, end of period	5,805,000	$ 0.33	6,245,000	$ 0.41
Options exercisable, end of period	5,423,750	$ 0.34	5,120,000	$ 0.45

(Expressed in Canadian dollars)

10. Share capital and reserves (cont'd)

Stock options *(cont'd)*

Details of options outstanding as at August 31, 2012 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.12 - $0.39	3.17 years	4,475,000	4,093,750
$0.40 - $0.99	1.69 years	1,330,000	1,330,000
	2.83 years	5,805,000	5,423,750

During the six month period ended August 31, 2012, the Company granted 75,000 stock options with a weighted average fair value of $0.12. The Company recorded share-based compensation of $83,257 (2011 - $233,531) relating to options vested during the period. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	August 31, 2012	August 31, 2011
Expected life of options	5 years	5 years
Annualized volatility	103%	115%
Risk-free interest rate	1.62%	2.31%
Dividend rate	0%	0%

Warrants

The changes in warrants during the period ended August 31, 2012 and February 29, 2012 are as follows:

	August 31, 2012		February 28, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	2,106,999	$ 0.42	-	$ -
Warrants granted	-	-	2,106,999	0.42
Warrants outstanding, end of period	2,106,999	$ 0.42	2,106,999	$ 0.42

As of August 31, 2012, the Company had 2,106,999 warrants outstanding with an exercise price of $0.42 expiring December 27, 2012.

(Expressed in Canadian dollars)

11. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of payments.

	August 31 2012	February 29, 2012
Company controlled by a director of the Company	$ 667	$ -
Directors and officers of the Company	20,850	18,834
	$ 21,517	$ 18,834

All amounts were paid in full by September 30, 2012

Key management personnel compensation

	Six month period ended August 2012	2011
Management fees (1)	$ 105,000	$ 112,500
Consulting	32,075	56,865
Director fees	40,000	39,500
Share-based payments	55,867	118,112
	$ 232,942	$ 326,977

(1) Certain of management fees are allocated to exploration and evaluation assets.

The Company has entered into a two year renewable employment agreement with the president of the Company expiring December 31, 2013 for the provision of services at a cost of $17,500 per month. If the agreement is terminated without cause, the Company will be required to provide severance equal to two months salary for every year of service starting July 1, 2004 onwards. In the event of a change in control of the Company, the president will have the right to cancel the agreement and receive a termination payment equal to twenty-four months salary.

12 Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 on its cash held in bank accounts. The majority of cash is deposited in bank accounts which are held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican pesos while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Mexican pesos:

		August 31, 2012		**February 29, 2012**
Cash and cash equivalents	$	21,043	$	49,169
Receivables		602		-
Accounts payable		(17,557)		(9,481)
	$	4,088	$	39,688

Based on the above net exposures, as at August 31, 2012, a 10% change in the Mexican peso to Canadian dollar exchange rate would impact the Company's net loss by $408.

12 Financial risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital net of accumulated deficit.

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.

Fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, reclamation bonds and trade payables and accrued liabilities. The fair value of these financial instruments other than cash and cash equivalents approximates their carrying values due to the short term nature of these investments. Cash and cash equivalents are measures at fair value using Level 1 inputs.

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.

13. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mineral properties.

(Expressed in Canadian dollars)

13. Segmented information (cont'd)

Geographic segments

The Company's non-current assets are located in the following countries:

	As at August 31, 2012		
	Canada	Mexico	Total
Reclamation deposits	$ 90,024	$ -	$ 90,024
Long-term receivable	612,093	-	612,093
Equipment	22,814	17,939	40,753
Exploration and evaluation assets	19,851,187	1,342,577	21,193,764
	$ 20,576,118	$ 1,360,516	$ 21,936,634

	As at February 29, 2012		
	Canada	Mexico	Total
Reclamation deposits	$ 90,024	$ -	$ 90,024
Long-term receivable	612,093	-	612,093
Equipment	27,005	21,950	48,955
Exploration and evaluation assets	19,585,194	866,582	20,451,776
	$ 20,314,316	$ 888,532	$ 21,202,848

14. Supplemental disclosure with respect to cash flows

During the six month period ended August 31, 2012 and 2011, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	August 31, 2012	August 31, 2011
Exploration and evaluation assets included in trade accounts payable and accrued liabilities	$ 210,097	$ 191,749
Exploration and evaluation assets recoveries included in receivables	11,264	70,043
Fair value of shares issued on acquisition of exploration and evaluation assets	-	21,000
Depreciation included in exploration and evaluation assets	4,030	-

15. Subsequent events

Subsequent to quarter end, the Company was informed that Freeport-McMoRan of Canada Limited had elected to terminate its Earn-In Agreement for the Company's Choo and Tchentlo properties.