

# **Georgetown Capital Corp.**

(An exploration stage company)

Interim Condensed Consolidated Financial Statements  
Three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

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# **GEORGETOWN CAPITAL CORP.**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim condensed consolidated financial statements of the Company for the three months ended September 30, 2012 and 2011 have been prepared by and are the responsibility of Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Interim Condensed Consolidated Statements of Financial Position

Expressed in Canadian Dollars

	September 30, 2012	June 30, 2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,519,790	\$ 1,547,755
Receivables	11,385	37,693
Prepaid expenses and deposits	8,342	9,779
	1,539,517	1,595,227
<b>Total assets</b>	<b>\$ 1,539,517</b>	<b>\$ 1,595,227</b>
<b>Liabilities</b>		
Current liabilities:		
Trade payables and other (note 6)	\$ 30,981	\$ 30,279
<b>Total liabilities</b>	<b>30,981</b>	<b>30,279</b>
<b>Shareholders' Equity</b>		
Share capital (note 4)	2,768,786	2,768,786
Equity reserves (note 5)	19,717	19,717
Accumulated other comprehensive income	-	(17,866)
Accumulated deficit	(1,279,967)	(1,205,689)
<b>Total shareholders' equity</b>	<b>1,508,536</b>	<b>1,564,948</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,539,517</b>	<b>\$ 1,595,227</b>

Approved by the Board of Directors on November 29, 2012:

*"Ivan Bebek"*

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Director

*"Tony Ricci"*

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Director

SEE ACCOMPANYING NOTES

# GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss *Expressed in Canadian Dollars*

	Three months ended September 30,	
	2012	2011
Administration expenses:		
Consulting fees, wages and benefits	\$ 18,542	\$ 23,354
Legal and accounting	4,157	9,266
Office, rent and administration	12,713	12,751
Regulatory, transfer agent and shareholder information	2,554	2,440
Travel, promotion and investor relations	2,365	-
	<u>40,331</u>	<u>47,811</u>
Other expenses (income):		
Foreign exchange loss (gain)	664	(1,337)
Interest income	(4,288)	(1,578)
Write-off of accounts receivable	18,171	-
Loss on dissolution of subsidiary (note 2b)	19,400	-
	<u>33,947</u>	<u>(2,915)</u>
Loss for the period	74,278	44,896
Foreign currency translation adjustment	1,534	(37,631)
Realization of cumulative foreign currency translation adjustment on dissolution of subsidiary (note 2b)	(19,400)	-
	<u>56,412</u>	<u>7,265</u>
Comprehensive loss for the period	\$ 56,412	\$ 7,265
Weighted average number of shares outstanding	13,335,605	13,335,605
Loss per share - basic and diluted	\$ (0.01)	\$ (0.00)

SEE ACCOMPANYING NOTES

## GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Interim Condensed Consolidated Statements of Changes in Equity

*Expressed in Canadian Dollars*

	Issued capital		Equity reserves			Accumulated Deficit	Accumulated OCI	Total equity
	Number of shares	Amount	Warrants	Share purchase options				
<b>June 30, 2011</b>	13,335,605	\$ 2,768,786	\$ -	\$ 19,717	\$ (317,270)	\$ (9,037)	\$ 2,462,196	
Net loss	-	-	-	-	(44,896)	-	(44,896)	
Foreign currency translation adjustment	-	-	-	-	-	37,631	37,631	
<b>September 30, 2011</b>	13,335,605	2,768,786	-	19,717	(371,203)	28,594	2,454,931	
<b>June 30, 2012</b>	13,335,605	\$ 2,768,786	\$ -	\$ 19,717	\$ (1,205,689)	\$ (17,866)	\$ 1,564,948	
Net loss	-	-	-	-	(74,278)	-	(74,278)	
Foreign currency translation adjustment	-	-	-	-	-	(1,534)	(1,534)	
Realization of cumulative foreign currency translation adjustment on dissolution of subsidiary	-	-	-	-	-	19,400	19,400	
<b>September 30, 2012</b>	13,335,605	\$ 2,768,786	\$ -	\$ 19,717	\$ (1,279,967)	\$ -	\$ 1,508,536	

SEE ACCOMPANYING NOTES

# GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Interim Condensed Consolidated Statements of Cash Flows

*Expressed in Canadian Dollars*

	Three months ended September 30,	
	2012	2011
<b>Operating Activities:</b>		
Loss for period	\$ (74,278)	\$ (44,896)
Items not involving cash:		
Interest income	4,288	(49)
Loss on dissolution of subsidiary	19,400	-
Unrealized foreign exchange (gain) loss	2,051	(5,035)
Write-off of accounts receivable	18,171	-
Changes in non-cash working capital:		
Prepaid expenses and deposits	1,437	1,387
Receivables	(12,875)	(6,740)
Trade payables and other	702	12,088
	<u>(42,638)</u>	<u>(43,196)</u>
<b>Investing activities:</b>		
Interest received	16,724	-
Net investment in subsidiary	(1,534)	-
	<u>15,190</u>	<u>-</u>
Impact of foreign exchange on cash and cash equivalents	(2,051)	5,035
<b>Decrease in cash and cash equivalents</b>	<b>(27,965)</b>	<b>(38,161)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>1,547,755</b>	<b>1,999,882</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 1,519,790</b>	<b>\$ 1,961,721</b>
Cash and cash equivalents is comprised of:		
Cash at bank	119,790	1,961,721
Guaranteed investment certificate	1,400,000	-
	<u>\$1,547,755</u>	<u>\$1,961,721</u>

SEE ACCOMPANYING NOTES

# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

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## 1. Corporate information

Georgetown Capital Corp. ("Georgetown" or the "Company") was incorporated on June 9, 2008, under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition, exploration and development of resource properties. The Company currently has no mineral property interests. The business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate properties for acquisition or investment and even if so identified and warranted, that it will be able to finance the acquisition or investment. In the event that the Company is not able to identify an appropriate mineral property for acquisition or investment in accordance with the listing requirements of the TSX Venture Exchange (the "Exchange"), there is a risk that the Company, at the discretion of the Exchange, will be transferred to the NEX Board as an inactive company.

The head office and principal address of the Company are located at 1199 Hastings Street, Suite 700, Vancouver, British Columbia, V6E 3T5.

## 2. Basis of presentation and adoption of IFRS

### (a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the year ended June 30, 2012. The condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated annual financial statements for the year ended June 30, 2012.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2012, the date the Board of Directors approved the statements.

### (b) Basis of presentation

These consolidated financial statements are presented in Canadian dollars, which are the presentation and the functional currency of the Company.

The financial statements have been prepared on the historical cost basis.

Effective August 10, 2012, the Company's wholly owned subsidiary, Georgetown Alaska Inc., was voluntarily dissolved, and the entity's cumulative translation adjustment was realized through the statement of condensed consolidated loss during the period.

### (c) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the condensed interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. There has been no significant change to the Company's significant accounting estimates from those disclosed in note 3 of the audited consolidated financial statements for the year ended June 30, 2012.

# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

## 3. Exploration and evaluation assets

### (a) Tanacross mineral property

Effective October 6, 2010, as amended on January 7, 2011 and September 30, 2011, the Company entered into an option agreement with Full Metal Minerals USA Inc., a wholly owned subsidiary of Full Metal Minerals Inc. ("Full Metal"), which granted the Company an exclusive right to acquire a 60% undivided beneficial interest in the Tanacross mineral property in Alaska by fulfilling the following requirements:

<u>Date</u>	<u>Incur cumulative exploration expenditures</u>	<u>Issue common shares</u>	<u>Make cash payments</u>
October 1, 2010	-	-	US\$25,000 (paid)
February 22, 2011	-	50,000 (issued)	US\$25,000 (paid)
January 15, 2012	US\$500,000	150,000	US\$50,000
October 1, 2012	US\$1,000,000	250,000	US\$50,000
October 1, 2013	US\$2,000,000	250,000	US\$50,000
October 1, 2014	US\$4,000,000	-	US\$50,000

Effective January 15, 2012, the Company elected to terminate its option agreement with Full Metal and forfeit its right to earn a 60% interest in the Tanacross property. During the year ended June 30, 2012, the Company wrote-off all costs associated with the Tanacross property, recorded an impairment loss of \$707,668 and recovered \$27,825 in cumulative foreign currency translation adjustments associated with the mineral interest.

<b>Resource property</b>	<b>Tanacross</b>
	\$
<b>Acquisition expenditures</b>	
<b>Balance, July 1, 2011 and June 30, 2012</b>	219,370
<b>Exploration expenditures</b>	
Balance, July 1, 2011	415,263
Additions:	
Drilling and support costs	1,948
Equipment & field supplies	4,884
Geochemical assaying	12,184
Geological consulting	477
Project supervision	44,728
Salaries & benefits	8,814
<b>Balance, June 30, 2012</b>	488,298
Cumulative foreign currency translation adjustment	27,825
<b>Write-off of acquisition and exploration expenditures</b>	<b>(707,668)</b>
<b>Realization of cumulative foreign currency translation adjustment</b>	<b>(27,825)</b>
<b>Total acquisition and exploration expenditures, June 30 and September 30, 2012</b>	<b>-</b>



# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

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## 4. Share capital

### (a) Authorized

Unlimited common shares without par value

### (b) Issued and outstanding

No shares were issued during the three months ended September 30, 2012 and the year ended June 30, 2012.

### (c) Escrow shares

As at September 30, 2012, the Company had 2,309,250 (June 30, 2012: 3,079,000) common shares held in escrow pursuant to the requirements of the Exchange and escrow agreements. Pursuant to the escrow agreements, the remaining escrowed shares will be released in semi-annual increments of 15% until February 22, 2014.

## 5. Equity reserves

### (a) Share-based payments

The Company has adopted a share purchase option plan pursuant to which it may grant options to purchase common shares to directors, officers, employees and other eligible persons. The options will be exercisable at the market price of the common shares on the date they are granted and for a period of up to five years from the date of grant.

No share purchase options were granted, cancelled or forfeited during the three months ended September 30, 2012 and the year ended June 30, 2012.

No share purchase options were outstanding as at September 30, 2012 and June 30, 2012.

### (b) Warrants

No warrants were issued, cancelled or expired during the three months ended September 30, 2012 and the year ended June 30, 2012. No warrants were outstanding as at September 30, 2012 and June 30, 2012.

## 6. Related party transactions

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	Three months ended September 30,	
	2012	2011
Universal Mineral Services Ltd.	\$ 23,260	\$ 26,613
Nicmar Capital Corp. (formerly Tony Ricci, CA)	10,500	10,500
Full Metal Minerals Ltd.	-	76,799

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- (a) Universal Mineral Services Ltd. ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on cost recovery basis. The Company also holds a non-voting equity interest in UMS. The outstanding balance owing at September 30, 2012 was \$8,017 (June 30, 2012: \$11,169).

# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

## 6. Related party transactions (continued)

- (b) Nicmar Capital Corp. is a company controlled by an officer of the Company. Transactions with this company are also included in the key management compensation presentation. The outstanding balance owing at September 30, 2012 to this company was \$3,920 (June 30, 2011: \$3,920).
- (c) Full Metal Minerals Ltd. is a company that had a director in common during the year ended June 30, 2012 and was the operator of Tanacross property. The outstanding balance owing at September 30, 2012 was \$nil (June 30, 2012: \$nil). Effective November 30, 2011, the director in common resigned as a director of Full Metal.

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by the management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement.

### Key Management Compensation

	Three months ended September 30,	
	2012	2011
Consulting fees	\$ 10,500	\$ 10,500
Management salaries	\$ 1,276	\$ nil

## 7. Financial instruments

### (a) Categories of financial instruments

	Category	September 30, 2012	June 30, 2012
Financial assets			
Cash and cash equivalents	Loans and receivables	\$ 1,519,790	\$ 1,547,755
Accounts receivable (excluding value added tax refundable)	Loans and receivables	1,626	14,062
		\$ 1,521,416	\$ 1,561,817
Financial liabilities			
Trade payables and other	Other liabilities	\$ 30,981	\$ 30,279
		\$ 30,981	\$ 30,279

### (b) Fair value of financial instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and trade payables and other. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity. As at September 30, 2012 and June 30, 2012, the Company did not have financial instruments measured at fair value.

# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

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## 7. Financial instruments (continued)

### (c) Financial risk management

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity, or market risks arising from these financial instruments. The risk exposure is summarized as follows:

#### (i) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at a bank in Canada and accounts receivable. Accounts receivables consist of amounts receivable for HST of \$9,759 and interest receivable of \$1,626 which is not considered past due. The Company considers this risk to be minimal.

#### (ii) Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at September 30, 2012, the Company had a cash and cash equivalents balance of \$1,519,790 to settle current liabilities of \$30,981 that mainly consist of trade payables that are considered short term and settled within 30 days. The Company did not have any significant commitments as at September 30, 2012 and June 30, 2012.

#### (iii) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at September 30, 2012, the Company held financial assets denominated in the US dollars in the amount of \$75,613 (June 30, 2012 –\$77,044) and financial liabilities of \$1,314 (June 30, 2012 – \$nil). As at September 30, 2012, the Company had no hedging agreements in place with respect to foreign exchange rates.

A 10% appreciation or depreciation of the US dollar compared with the Canadian dollar would not have a significant impact on the Company's net asset.

#### (iv) Market risk

##### • Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

##### • Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

# Georgetown Capital Corp.

(An exploration stage company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended September 30, 2012 and 2011

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## 7. Financial instruments (continued)

### (d) Capital risk management

The Company manages its cash and cash equivalents and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is not subject to externally imposed capital requirements.

## 8. Segmented information

The Company operates in one operational segment being acquisition, exploration and development of mineral resource properties. The Company did not have any non-current assets at September 30, 2012 and June 30, 2012.

The Company's net loss for the three months ended September 30, 2012 and 2011 was incurred in Canada.

## 9. Supplemental cash flow information

	Three months ended September 30,	
	2012	2011
	\$	\$
Interest paid	-	-
Income tax paid	-	-
Change in trade payables and other related to exploration and evaluation expenditures	-	95,351