Black Bull Resources

Annual Report

September 30, 2012

TABLE OF CONTENTS

SECTION	PAGE NO.
Letter to Shareholders	1
Financial Statements	2
Notes to the Financial Statements	7
Management's Discussion & Analysis	35
Corporate Information	46

LETTER TO SHAREHOLDERS

January 28, 2013

During the fiscal year ending September 30, 2012, Black Bull Resources Inc. continued to incur losses as outlined in the Financial Statements.

The Company had no sales during the year as Black Bull Resources Inc. was in a hibernation mode while continuing to seek longer term strategic options for its reserves.

On May 10, 2012 the company held its Annual General Meeting. At that time Richard J. Shearer, James Gogan, Joseph MacDonald and David Wood were elected to the Board. In addition, the shareholders authorized an amendment to Articles of Incorporation to consolidate all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation share for up to every thirty (30) pre-consolidation shares. Such a consolidation will be initiated as part of implementing a strategic option.

The focus continues to be to reduce cash burn to allow the Company sufficient time to seek other options.

In 2012, as per the resolution of the AGM the Board changed auditors to MacKay LLP. We are very pleased with the work they have done, which includes moving from GAAP to IFRS. This has been accomplished at a substantially lower cost.

On December 3, 2012 the Company announced that effective November 30, 2012; the Company's listing on the TSX Venture Exchange has been transferred to NEX. The Company's tier classification has changed from Tier 2 to NEX because the Company did not meet the requirements for a Tier 2 listing on the Exchange. As a result, the Company's trading symbol has changed to BBS.H.

It is clear that much uncertainty remains regarding the viability of Black Bull Resources Inc.

Joseph MacDonald
President and CEO

CHARTERED ACCOUNTANTS

MacKay LLP

Elveden House
1700, 717 – 7th Avenue SW
Calgary, AB T2P 0Z3

Phone:(403) 294-9292
Fax:(403) 294-9262

www.MacKay.ca

mackay.ca

Independent Auditor's Report

To the Shareholders of
Black Bull Resources Inc.

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

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Black Bull Resources Inc. 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 modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Black Bull Resources Inc. to continue as a going concern.

"MacKay LLP"

Chartered Accountants
Calgary, Alberta Canada
January 28, 2013

BLACK BULL RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Sept 30 2012		Sept 30 2011		Oct 1 2010 *IFRS transition*
ASSETS						
Current						
Cash and cash equivalents	$	76,731	$	169,735	$	103,720
Receivables (Note 3)		6,706		11,287		108,206
Capital tax receivable		-		11,220		11,220
Inventory (Note 4)		-		-		131,538
Prepaid expenses		47,068		50,798		53,982
Assets held for sale (Note 5)		-		-		242,519
		130,505		243,040		651,185
Property, plant and equipment (Note 5)		76,681		89,546		139,547
Intangible assets (Note 6)		3,834		5,112		6,391
Mineral claims (Note 7)		1		1		1
Deferred costs (Note 8)		1		1		1
Other assets (Note 9)		483,761		553,311		556,861
	$	694,783	$	891,011	$	1,353,986
LIABILITIES						
Current						
Payables and accrued liabilities (Note 10)	$	62,043	$	42,277	$	148,350
Asset retirement obligation (Note 11)		233,278		480,331		470,913
		295,321		522,608		619,263
SHAREHOLDERS' EQUITY						
Capital stock (Note 12)		23,538,215		23,538,215		23,538,215
Stock based Compensation (Note 12)		2,070,133		2,065,981		2,063,905
Deficit		(25,208,886)		(25,235,793)		(24,867,397)
		399,462		368,403		734,723
	$	694,783	$	891,011	$	1,353,986

Continuation of business (Note 1)

Approved on behalf of the Board

"James W. Gogan" Director

"Joseph MacDonald" Director

BLACK BULL RESOURCES INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS YEARS ENDED SEPTEMBER 30 Audited

	2012	2011
MINERAL REVENUE	$ 35	$ 159,065
COSTS AND EXPENSES		
Operations and overhead	53,464	243,692
Amortization	14,143	51,785
Sales and marketing	4,572	6,813
General and administration	147,150	208,632
	219,329	510,922
LOSS BEFORE OTHER ITEMS	(219,295)	(351,857)
OTHER ITEMS		
Revision on ARO obligation	253,864	-
Accretion	(6,811)	(9,418)
Interest (expense)	-	(3,490)
Interest income	5,535	-
(Loss) on foreign exchange	(6,386)	(3,631)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	26,907	(368,396)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares	90,853,271	90,853,271

BLACK BULL RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30
Audited

	2012	2011
OPERATING ACTIVITIES		
Net income (loss) for the year	$ 26,907	$ (368,396)
Non-cash items included in net income (loss)		
Amortization	14,143	51,785
Accretion on asset retirement obligation	6,811	9,418
Revision on ARO obligation	(253,864)	-
Stock-based compensation	4,152	2,076
	(201,851)	(305,117)
Change in non-cash working capital accounts		
Receivables	15,801	96,919
Inventory	-	131,538
Prepaid expenses	3,730	3,184
Payables and accrued liabilities	19,766	(106,073)
	(162,554)	(179,549)
INVESTING ACTIVITIES		
Acquistion of property, plant and equipment	-	(505)
Proceeds of property, plant and equipment	-	242,519
Reclamation deposits	69,550	3,550
	69,550	245,564
Change in cash and cash equivalents during the year	(93,004)	66,015
Cash and cash equivalents at beginning of the year	169,735	103,720
Cash and cash equivalents at end of year	$ 76,731	$ 169,735
Supplemental cash flow information:		
Income taxes paid	$ -	$ 4,675
Interest received	5,535	-
Interest paid	-	3,490
Cash and cash equivalents are comprised of:		
Cash	$ 54,329	$ 131,628
Guaranteed investment certificates	22,402	38,107
	$ 76,731	$ 169,735

BLACK BULL RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED SEPTEMBER 30, 2012 and SEPTEMBER 30, 2011

	Common Shares		Share based payment reserve	Deficit	Total Equity
	Without par Value	$	$	$	$
Balance October 1, 2010	**90,853,274**	**23,538,215**	**2,063,905**	**(24,867,397)**	**734,723**
Net Income (loss)				(368,396)	(368,396)
Stock based compensation			2,076		2,076
Balance September 30, 2011	**90,853,274**	**23,538,215**	**2,065,981**	**(25,235,793)**	**368,403**
Net Income (loss)				26,907	26,907
Stock based compensation			4,152		4,152
Balance September 30, 2012	**90,853,274**	**23,538,215**	**2,070,133**	**(25,208,886)**	**399,462**

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at P.O. Box 698 Shelburne Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997, and began commercial production of quartz effective April 1, 2004. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

GOING CONCERN

The Company continues to incur significant operating losses. The income this year was due to the gain on settlement of obligation, otherwise, there was a loss, there is no active operations, and significant accumulated deficit. If the trend continues the current working capital is not sufficient to sustain the Company for the next 12 months. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful.

If the going-concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported net losses, and the balance sheet classifications used.

The Company's ability to continue as a going concern depends on its ability to finance operations. We are in discussion with the Province of Nova Scotia for a refund of reclamation bond due to adjustments in ARO. The Company is also seeking other strategic options.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. STATEMENT OF COMPLIANCE AND CONVERSION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Statement of compliance

International Financial Reporting Standards (“IFRS”) replaced the Canadian generally accepted accounting principles ("Canadian GAAP") for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

The Financial Statements have been prepared in accordance with IFRS. These are the Company’s first Annual Financial Statements prepared in accordance with IFRS and IFRS1 - First-Time Adoption of IFRS ("IFRS 1") has been applied and the impact of the transition from Canadian GAAP to IFRS is explained in note 16. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity as at October 1, 2010, the date of transition reported under previous Canadian GAAP to those reported at the date of transition under IFRS.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They also have been applied in preparing an opening IFRS statement of financial position at October 1, 2010 (note 16) for the purposes of the transition to IFRS, as required by IFRS 1.

The policies applied in the audited financial statements are based on IFRS policies effective as of January 28, 2013, the date the Board of Directors approved the financial statements.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the determination of the valuation allowance for deferred income taxes. Actual results may differ from those estimates and judgment.

Areas requiring significant judgments relate to recognition of deferred assets and liabilities, determination of cash-generating units, the determination of technical feasibilities and commercial viabilities of mineral interests, and the determination of functional currency.

a) Cash and cash equivalents

Cash and cash equivalents include amounts held on deposit and cashable guaranteed investment certificates with financial institutions.

b) Inventory

Product inventory is valued at the lower of production cost, consisting mainly of mining, crushing costs, drying, screening, packaging, and freight, and net realizable value. Cost is determined on a weighted average basis.

c) Property, plant and equipment

Property, plant and equipment are 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.

Depreciation is calculated using a declining balance method to write off the cost of the assets. The depreciation rates applicable to each category of property and equipment are as follows:

Buildings	10% DB
Equipment	20% DB
Office furniture and equipment	20% DB
Computer equipment	30% DB
Leasehold improvements	50% SL
Site improvements	10% SL

Amortization of buildings and equipment commence when they are commercially utilized; other property, plant and equipment are amortized 50% of the given rate in the first year.

d) Intangible assets

Intangible assets are accounted for at cost. Amortization is based on the asset's estimated useful life using either the declining-balance (DB) or straight-line (SL) method using the following rates:

Software	100% DB
Patents	10% SL

e) Mineral claims

The cost of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The recorded cost of mineral claims costs represents costs incurred and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an on-going basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title

may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements

f) Deferred costs

Deferred costs of mineral properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of share and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The recorded cost of deferred exploration costs represents costs incurred and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written-down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements

g) Revenue recognition

Revenue from mining operations is recognized upon existence of persuasive evidence of an arrangement, shipment of the product, when title has passed to the customer, the price is fixed or determinable, and collection is reasonably assured.

h) Asset retirement obligation

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 and risks specific to the liability, 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 the related asset 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 amount and timing of the Company's estimates of reclamation costs, are charged to profit and 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 incurred.

The Company currently has $483,761 in Reclamation Funds on deposit with the Province of Nova Scotia.

I) Use of estimates

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. 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 and judgment relate to the determination of the useful lives of property, plant and equipment, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

j) Stock-based compensation

The Company has a stock-based compensation plan as described in Note 12. The Company accounts for stock options using the fair-value method, whereby compensation expense for stock options is measured at the fair value at the grant date and is recognized over the vesting period of the options granted. The Company uses the Black-Scholes model to estimate fair value.

k) Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the liability 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.

l) Loss per share

Loss per share is calculated using the weighted-average number of common shares outstanding. The weighted average is calculated on number of days outstanding for the twelve month period ended September 30, 2012.

Diluted loss per share is determined as net loss divided by the weighted average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising the stock options based on the treasury-stock method.

Stock options totaling 6,702,341were excluded in the computation of diluted loss per share because they were anti-dilutive. Warrants to purchase 2,400,000 common shares expired on June 15, 2009.

m) Impairment of long-lived assets

The carrying amount of the Company's assets (which include property and 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 comprehensive income.

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.

n) Comprehensive income

The Company has no other comprehensive income components and, accordingly, the Company's net loss equals comprehensive loss.

o) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, 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 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 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.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

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 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 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.

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

As of September 30, 2012, the Company has classified cash and cash equivalents as fair value through profit and loss, receivables as loans and receivables and payables and accrued liabilities as other liabilities.

p) Foreign currency translation

Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the year except for amortization, which is translated at historical rates. Translation gains or losses are included in net loss.

q) Future accounting pronouncements

The IASB has issued a number of new standards to come into effect in periods subsequent to 2011. The Corporation is currently assessing the impact of the new standards on its financial statements, but at this time does not anticipate that the adoption of the standards will have a significant impact on the Corporation's financial statements.

IFRS 9 Financial Instruments ("IFRS 9) was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The standard revises and limits the classification and measurement models available for financial assets and liabilities to amortized cost or fair value. Previously multiple models were available. The Corporation has not early adopted IFRS 9 and is currently evaluating the impact on its financial statements.

The IASB issued IFRS 10, "Consolidated Financial Statements" to supersede IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Corporation. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This new standard is effective for annual periods beginning on or after January 1, 2013.

The IASB issued IFRS 11, "Joint Arrangements" to supersede IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities" – Non-Monetary Contributions by Ventures". The standard is intended to provide for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. This new standard is effective for annual periods beginning on or after January 1, 2013.

The IASB issued IFRS 12, "Disclosure of Interests in Other Entities". The standard specifies disclosure requirements for all forms of interests in other entities, including joint arrangements, special purpose vehicles, and other off-balance sheet vehicles. This new standard is effective for annual periods beginning on or after January 1, 2013.

The IASB issued IFRS 13, "Fair Value Measurement". The main provisions of the standard include defining fair value, setting out in a single standard a framework for measuring fair value, and specifying certain disclosure requirements about fair value measurements. This new standard is effective for annual periods beginning on or after January 1, 2013.

IAS 1 – "Presentation of Financial Statements" ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in order comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged The amendments of IAS 1 are effective for annual periods beginning on or after July 1, 2012.

IAS 27 – "Separate Financial Statements" ("IAS 27") contains accounting and disclosure requirements for investments in subsidiaries, join ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. IAS 27 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted

IAS 28 – "Investments in Associates" ("IAS 28") was amended to include joint ventures in its scope and to address the changes in IFRS 10 to 12. This amendment is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Corporation does not anticipate the application of IAS 28 to have a significant impact on its financial statements.

In October 2011, the IASB issued IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable coal that can be used to produce

inventory and improved access to further quantities of material that will be mined in future periods. IFRIC must be applied starting January 1, 2013 with early adoption permitted.

3. RECEIVABLES

		Sept 30 2012		Sept 30 2011		October 1 2010
Trade	$	-	**$**	6,566	$	131,790
Government (HST)		**6,706**		11,287		6,715
		6,706		17,853		138,505
Less: Allowance for doubtful accounts		**-**		(6,566)		(30,229)
	$	**6,706**	**$**	11,287	$	108,206

4. INVENTORY

		Sept 30, 2012		Sept 30, 2011		Oct 1, 2010
Semi-processed	**$**	-	$	-	$	**125,207**
Processed goods		-		-		**6,729**
Consumables		-		-		**26,134**
Less: Write-down		-		-		**(26,532)**
	$	-	$	-	$	**131,538**

In 2011, all remaining inventory was sold as part of a purchase agreement completed in December 2010, for the sale of the building, equipment and inventory. In September 2010, an allowance of $26,532 was made to inventory to reflect the realizable value of the inventory sold in December 2010.

5. PROPERTY, PLANT AND EQUIPMENT

						Sept 30, 2012
		Cost		**Accumulated Amortization**		**Net Book Value**
Computer equipment	**$**	**43,132**	**$**	**39,229**	**$**	**3,904**
Equipment - Water Treatment		**107,872**		**85,495**		**22,378**
Building - Water Treatment		**105,822**		**55,423**		**50,399**
Leasehold improvements		**17,115**		**17,115**		**-**
Site improvements		**216,210**		**216,210**		**-**
	$	**490,151**	**$**	**413,472**	**$**	**76,681**

						Sept 30, 2011
		Cost		Accumulated Amortization		Net Book Value
Computer equipment	$	43,132	$	37,556	$	5,576
Equipment - Water Treatment		107,872		79,901		27,971
Building - Water Treatment		105,822		49,823		55,999
Leasehold improvements		17,115		17,115		-
Site improvements		216,210		216,210		-
	$	490,151	$	400,605	$	89,546

						Oct 1 2010
		Cost		Accumulated Amortization		Net Book Value
Computer equipment	$	42,627	$	35,275	$	7,352
Equipment - Water Treatment		107,872		72,908		34,964
Building - Water Treatment		105,822		43,601		62,221
Leasehold improvements		17,115		17,115		-
Site improvements		216,210		181,200		35,010
	$	489,646		350,099	$	139,547

In 2010, redundant assets totaling $33,408 were sold. In December 2010, all the remaining redundant assets and inventory were sold for $367,750. Therefore, the inventory and assets were written down to reflect the net realizable value. The following assets were reclassified to assets held for sale at September 30, 2010:

									October 1,2010
		Cost		Accumulated Amortization		Disposal of Redundant assets		Provision for Reduced Asset Value		Net Book Value
Office furniture and equipment	$	37,065	$	25,507	$	3,645	$	7,913	$	-
Vehicle		49,000		9,407		28,500		11,093		-
Equipment		1,940,659		905,009		-		1,035,650		-
Buildings		1,748,564		511,492		113,603		880,950		242,519
	$	3,775,288	$	1,415,415	$	145,748	$	1,935,605	$	242,519

6. INTANGIBLE ASSET

			Sept 30 2012
	Cost	**Accumulated Amortization**	**Net Book Value**
Trademark	**12,782**	**8,948**	**3,834**

			Sept 30 2011
	Cost	Accumulated Amortization	Net Book Value
Trademark	12,782	7,670	5,112

			Oct 1, 2010
	Cost	Accumulated Amortization	Net Book Value
Trademark	12,782	6,391	6,391

7. MINERAL CLAIMS

		Sept 30, 2012		Sept 30, 2011
Cost, beginning of period	**$**	**1**	**$**	1
Cost, end of period		**1**		1
Accumulated depletion		**-**		-
Write-down		**-**		-
Net book value	**$**	**1**	**$**	1

On September 30, 2010, the Company wrote down the mineral claims to reflect the absence of objective evidence of valuation in accordance with international financial reporting standards (“IFRS”).

8. DEFERRED COSTS

Deferred Exploration and Development Costs	Sept 30, 2012	Sept 30, 2011
Cost, beginning of period	$ 1	$ 1
Development		-
Cost, end of period	1	1
Accumulated depletion		-
Write-down		-
Net book value	$ 1	$ 1

On September 30, 2010, the Company wrote down the deferred costs to reflect the absence of objective evidence of valuation in accordance with IFRS.

9. OTHER ASSETS

Other assets consist of funds held for future reclamation costs by the Province of Nova Scotia. The Natural Resources Reclamation Fund contains $386,173 ($456,709 at September 30, 2012 and $458,859 at October 1, 2010).

In July 2012 the Company was refunded $70,000 in July 2012 and the reclamation costs of the 2011 approved reclamation plan are well in excess of the reclamation funds. Further refunds are expected. In addition, an Irrevocable Standby Letter of Credit of $17,400 has been issued to the Province of Nova Scotia.

The Environmental Reclamation Fund contains $97,588 ($96,602 at September 30, 2011).

Other Assets			
	Sept 30 2012	Sept 30 2011	October 1 2010
Department of Natural Resources On Deposit	**$ 386,173**	$ 456,709	$ 458,859
Department of Environment On Deposit	**97,588**	96,602	98,002
Total Other Assets	**$ 483,761**	$ 553,311	$ 556,861

10. PAYABLES AND ACCRUED LIABILITIES

		Sept 30, 2012		Sept 30, 2011		Oct 1, 2010
Trade	**$**	**62,043**	**$**	42,277	$	146,017
Government (payroll & WCB)		**-**		-		2,333
	$	**62,043**	**$**	42,277	$	148,350

11. ASSET RETIREMENT OBLIGATION

		Sept 30, 2012		Sept 30, 2011
Balance, beginning of year	**$**	**480,331**	$	470,913
Revision on ARO obligation		**(253,864)**		
Accretion		**6,811**		9,418
Balance, end of period	**$**	**233,278**	$	480,331

Under the terms of our agreements with the Province of Nova Scotia lease the Company is obligated to update its reclamation plan every three years. In 2011, the Company submitted an updated to the Provincial Department of Natural Resources ("DNR"). In early 2012, DNR indicated they were in agreement with the new plan. The Revision on ARO obligation was 253,864. Accretion was $6,811 in 2012, which declined from 2011 - $9,418

Since the Corporation has elected to apply the IFRS 1 full-cost as deemed cost exemption, decommissioning obligations must be measured as at October 1, 2010 using the risk free interest rate of 2% (with an inflation rate of 2%), in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The difference between the amount determined under IAS 37 and the carrying amount of the obligation at October 1, 2010 is recognized directly in deficit.

12. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	Sept 30 2012			Sept 30 2011			Oct 1, 2010		
	#		$	#		$	#		$
Issued	**90,853,271**	**$**	**23,538,215**	90,853,271	$	23,538,215	90,853,271	$	23,538,215

Share Consolidation

In 2011, the Company adopted but has not applied a resolution consolidating all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation share for up to every thirty (30) pre-consolidation shares.

c) Stock Based Compensation

		Stock Options	Warants	
		Fair Value	**Fair Value**	**Total**
Balance, September 30 2010	**$**	**1,230,569**	**833,336**	**2,063,905**
Stock compensation expense		**2,076**	**-**	**2,076**
Balance, September 30 2011	**$**	**1,232,645**	**833,336**	**2,065,981**
Stock compensation expense		**4,152**	**-**	**4,152**
Balance, September 30 2011	**$**	**1,236,797**	**833,336**	**2,070,133**

The contributed surplus of $2,070,133 ($2,065,981 at September 30, 2011 consists of the fair value attributed to options and warrants granted since October 1, 2003 and recognized to date. The fair value of options is recognized over the length of the vesting period (18 months).

d) Stock options

On May 22, 2008, the Company amended the Stock Option Plan whereby up to 9,000,000 common shares are reserved for issuance under the Plan. The Plan provides for the granting of options which qualify for treatment as incentive stock options or non-statutory stock options and entitles directors, employees, and consultants to purchase common shares of the Company. Options granted are subject to approval by the Board of Directors. The exercise price of each option equals the average market price of the Company's stock on the date of grant and the maximum term of an option is 5 years. Options and warrants are exercisable to shares at a ratio of 1 to 1.

The options generally vest over a period of 18 months from the date of grant and immediately become exercisable once vested. The options generally have a term of 5 years.

The fair value of the options issued in 2011, were estimated at the date of grant using a Black-Scholes model with the following weighted average assumptions: risk-free interest rate of 2.3%; dividend yield of 0%; volatility factor of the expected market price of the Company's common stock of 110%; and a weighted average expected life of 5 years.

The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

The following table summarizes the status and changes in stock options and warrants:

	Stock Options		
	Number		**Weighted Average price**
Outstanding as at October 1, 2010	8,147,406	$	0.12
Granted/issued	1,419,985		0.02
Cancelled/expired	(1,523,400)		0.02
Outstanding as at September 30, 2011	8,043,991	$	0.1
Exercisable as at September 30, 2011	6,624,006		0.08
2012			
Cancelled/expired	**(1,341,650)**		**0.02**
Outstanding as at September 30, 2012	**6,702,341**	**$**	**0.10**
Exercisable as at September 30, 2012	**6,702,341**		**0.10**

The following table summarizes information about stock options outstanding at September 30, 2012:

Range of Exercise	**Number of Options**	**Weighted Average Remaining**	**Weighted**

Prices	Outstanding and Exercisable	Contractual Life	Average Exercise Price
$0.10	6,702,341	1.6 years	$ 0.10
	6,702,341	**1.6 years**	**$ 0.10**

13. RELATED PARTY BALANCES AND TRANSACTIONS

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Accounts Payable

Due to Officers and Directors as of	**Sept 30 2012**	Sept 30 2011	October 1 2010
	$ 1,380	$ 2,453	$ 2,780

For the years ended September 30, 2012 and 2011, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to Administrative fees were charged by companies controlled by a director and senior officer for the years ended September 30, 2012 and 2011, respectively.

Administrative Fees

	Sept 30 2012	Sept 30 2011
Officers and Directors	**$ 48,053**	$ 51,706

Stock-based compensation expense for the directors and senior officers was $4,172 (2011 - $2,076) for the years ended September 30, 2012 and 2011, respectively. These transactions were made in the normal course of operations for consideration established and accepted by the Company and related parties.

14. INCOME TAX

The income tax recovery and change in tax benefits not recognized differs from the amounts computed by applying Canadian statutory rates of 31.0% (2011 – 32.5%) to the loss before income taxes as follows:

		Sept 30, 2012		Sept 30, 2011
Income tax recovery at statutory rate	**$**	**8,000**	$	(127,000)
Amortization and other		**-**		(5,000)
Employee stock options		**1,000**		1,000
Impact of income tax rate change		**-**		20,000
Decrease (Increase) in tax benefits not recognized		**9,000**		(111,000)
Income tax recovery	**$**	**-**	$	-

The approximate tax effect of temporary differences and tax loss carry forwards that give rise to the Company's deferred income tax assets computed by applying Canadian statutory rates of 31.0% (2011 – 32.5% and 2010 – 34.1%) are as follows:

		Sept 30, 2012		Sept 30, 2011	**Oct 1, 2010**
Deferred income tax assets (liabilities)					
Property, plant and equipment	**$**	55,000	**$**	**38,000**	**887,000**
Mineral claims		1,230,000		**1,300,000**	**1,300,000**
		1,285,000		**1,338,000**	**2,287,000**
Share issue costs		202,000		**202,000**	**202,000**
Net deferred income tax asset		1,487,000		**1,540,000**	**2,389,000**
Tax loss carry forwards		5,770,000		**5,708,000**	**7,137,000**
Deferred income tax asset		7,257,000		**7,248,000**	**7,137,000**
Tax Benefit not recognized		(7,257,000)		**(7,248,000)**	**(7,137,000)**
Deferred income tax asset	**$**	-	**$**	**-**	-

The Company has the following losses carried forward available for tax purposes:

Expiry date	Amount
2014	$ 2,378,000
2015	1,559,000
2026	3,299,000
2027	3,496,000
2028	3,057,000
2029	950,000
2030	578,000
2031	3,095,000
2032	200,000
	$18,612,000

15. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value: The carrying values of cash and cash equivalents, receivables and payables and accrued liabilities approximate their fair values based on their liquidity and short-term nature. The fair value of the asset retirement obligation is determined using the present value of cash-flows method.

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be paid in full when due. Allowances are provided for potential losses that have been incurred at the balance sheet date; however, these allowances are not significant. The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

The carrying amount of receivables on the balance sheet is net of allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment.

The aging of receivables was:

Reconciliation of allowance for doubtful accounts:

	Sept 30, 2012	Sept 30, 2011	**Oct 1, 2010**
	$	$	$
Current	**-**	-	81,251
Aged between 46 - 59 days	**-**	-	20,604
Aged greater than 60 days	**-**	6,566	29,935
Total trade	**-**	6,566	131,790
Others	**6,706**	11,287	6,715
	6,706	17,853	138,505
Allowance for doubtful accounts	**-**	(6,566)	(30,299)
	6,706	11,287	108,206

Currency risk: The Company sales in US dollars and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk as there were no sales in 2012.

The statement of financial position includes the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in US dollars:

	Sept 30 2012	**Sept 30 2011**	Oct 1, 2010
	$	**$**	$
Cash and cash equivalents	**6,730**	**98,759**	**58,952**
Receivables	**-**	**6,566**	**115,311**
Payables and accrued liabilities	**-**	**-**	**16,650**

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of the debt and equity balance. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior year.

Total managed capital was as follows:

		Sept 30 2012		Sept 30 2011		October 1 2010
Capital Stock	**$**	**23,538,215**	$	23,538,215	$	23,538,215
Contributed Surplus		**2,070,133**		2,065,981		2,063,905
Deficit		**(25,208,886)**		(25,195,965)		(24,808,605)
	$	**399,462**	$	408,231	$	793,515

16 Effect of transition to IFRS

As stated in Note 2, these financial statements are for the period covered by the first annual financial statements prepared in accordance with IFRS as at and for the year ended September 30, 2012. For all accounting periods prior to this, the Corporation prepared its financial statements under Canadian GAAP. In accordance with IFRS 1 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of preparation in Note 2.

IFRS 1 allows first time adopters to IFRS to take advantage of a number of voluntary exemptions from the general principal of retrospective restatement. The Corporation has taken the following exemption:

Decommissioning obligations

Since the Corporation has elected to apply the IFRS 1 full-cost as deemed cost exemption, decommissioning obligations must be measured as at October 1, 2010 using the risk free interest rate of 2% in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The difference between the amount determined under IAS 37 and the carrying amount of the obligation at October 1, 2010 is recognized directly in deficit.

Other information

Other than the information presented below, there were no other material changes to the statement of financial position, statement of comprehensive loss and statement of cash flows as previously presented under Canadian GAAP as of October 1, 2010, September 30, 2010 and for the year then ended.

Reclamation obligations ("ARO")

Under Canadian GAAP, future cash flows related to funding the Corporation's decommissioning obligations in relation to mineral properties is discounted using a risk-adjusted rate.

Under IFRS, the future cash flows are discounted using a pre-tax risk free rate that reflects current market assessments of the time value of money and the risks specific to the obligation. This has resulted in a decrease in the decommissioning obligations at the date of transition to IFRS of $58,792, which has been recognized through deficit under the IFRS 1 exemption, and a decrease of $18,964 for the year ended September 30, 2011 which is recognized through the Statement of Comprehensive Loss for that year. Unlike Canadian GAAP, the accretion expense is classified as finance expense under IFRS.

(a) Reconciliation of Statements of Financial Position

	As At September 30 2011			As At October 1, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS						
Current						
Cash and cash equivalents	169,735	-	169,735	103,720	-	103,720
Receivables	11,287	-	11,287	108,206	-	108,206
Capital tax receivable	11,220	-	11,220	11,220	-	11,220
Inventory				131,538	-	131,538
Prepaid expenses	50,798	-	50,798	53,982	-	53,982
Assets held for resale				242,519	-	242,519
	243,040	-	243,040	651,185	-	651,185
Property, plant and equipment	89,546	-	89,546	139,547	-	139,547
Intangible assets (Note 6)	5,112	-	5,112	6,391	-	6,391
Mineral claims (Note 7)	1	-	1	1	-	1
Deferred costs (Note 8)	1	-	1	1	-	1
Other assets (Note 9)	553,311	-	553,311	559,861	-	559,861
	891,011	-	891,011	1,356,986	-	1,356,986
LIABILITIES						
Current						
Payables and accrued liabilities	42,277	-	42,277	148,350	-	148,350
			-			
Asset retirement obligation	440,503	39,828	480,331	412,121	58,792	470,913
		-				
SHAREHOLDERS' EQUITY						
Capital stock	23,538,215	-	23,538,215	23,538,215	-	23,538,215
Contributed surplus	2,065,981	-	2,065,981	2,063,905	-	2,063,905
Deficit	(25,195,965)	(39,828)	(25,235,793)	(24,808,605)	(58,792)	(24,867,397)
	408,231	-	368,403	793,515	-	734,723
	891,011	-	891,011	1,353,986	-	1,353,986

(b) Reconciliation of Statements of Earnings (loss) and Comprehensive Income (loss):

	For Year ending September 30 2011		
	Canadian GAAP	Effect of transition to IFRS	IFRS
MINERAL REVENUE	159,065	-	159,065
COSTS AND EXPENSES			
		-	-
Operations and overhead	243,692	-	243,692
Amortization	51,785	-	51,785
Sales and marketing	6,813	-	6,813
General and administration	208,632	-	208,632
	510,922	-	510,922
LOSS BEFORE OTHER ITEMS	(351,857)		(351,857)
OTHER ITEMS			
		-	-
Interest (expense)			
Accretion	(28,382)	18,964	(9,418)
Interest expense	(3,490)	-	(3,490)
Loss on foreign exchange	(3,631)	-	(3,631)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(387,359)	(18,964)	(368,396)

(C) Reconciliation of Statement of Cash Flows:

	For Year ending September 30,2011		
	Canadian GAAP	Effect of transition to IFRS	IFRS
OPERATING ACTIVITIES			
Net loss for the year	(387,360)	18,964	(368,396)
Non-cash items included in net loss			
Amortization	51,785	-	51,785
Accretion on asset retirement obligation	28,382	(18,964)	9,418
Stock-based compensation	2,076	-	2,076
	(305,117)	-	(305,117)
Change in non-cash working capital accounts			
Receivables	96,919	-	96,919
Inventory	131,538	-	131,538
Prepaid expenses	3,184	-	3,184
Payables and accruals	(106,073)	-	(106,073)
	(179,549)	-	(179,549)
INVESTING ACTIVITIES			
Acquisition of property plant and equipment	(505)	-	(505)
Proceeds of property plant and equipment	242,519	-	242,519
Reclamation deposits	3,550	-	3,550
Change in cash and cash equivalents during the year	66,015	-	66,015
Cash and cash equivalents at beginning of the year	103720	-	103,720
Cash at end of year	169,735	-	169,735

D) BLACK BULL RESOURCES – CONDENSED INTERIM FINANCIAL STATEMENTS

Reconciliation of deficit reported under Canadian GAAP and IFRS

There are no significant differences between the Company's deficit reported in accordance with Canadian GAAP and its deficit in accordance with IFRS at September 30, 2011 and October 1, 2010. The difference relates to changing the interest rate on the estimated reclamation cots from 7% to the risk free rate of 2%

	at Sept 30 2011	at October 1 2010
Total deficit under Canadian GAAP	(25,195,965)	(24,808,605)
Reconciling item (reclamation obligation)	(39,828)	(58,792)
Total shareholders' deficit under IFRS	(25,235,793)	(24,867,397)

Reconciliation of comprehensive loss reported under Canadian GAAP and IFRS

There are no significant differences between the Company's comprehensive loss reported in accordance with Canadian GAAP and its comprehensive loss in accordance with IFRS for the year ended September 30, 2011. The difference relates to changing the interest rate on the estimated reclamation cots from 7% to the risk free rate of 2%

	Year ended September 30, 2011 $
Comprehensive loss under Canadian GAAP	(387,360)
Reconciling items	18,694
Comprehensive loss under IFRS	(368,396)

MANAGEMENT'S DISCUSSION & ANALYSIS

OF FINANCIAL AND OPERATING RESULTS
(In Canadian dollars)

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51-102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Black Bull Resources Inc.'s ("Black Bull" or the "Company") audited financial statements for the years ended September 30, 2012 and 2011, together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards. Any information provided prior to October 1, 2010 within the MD&A, has been prepared in accordance with the Canadian Generally Accepted Accounting Principles in place at that time.

This MD&A is prepared as of January 28, 2013.

Forward Looking Statements

Certain statements contained in the report constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Black Bull or its management, are intended to identify forward-looking statements. Such statements reflect current views of Black Bull with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in mineral prices, fluctuations in currency exchange rates, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Overall Performance

The continued focus for Black Bull in 2012 was to its cash burn and obtaining a refund from the reclamation bond.

In addition the 2011 AGM adopted a resolution consolidating all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation share for up to every thirty (30) pre-consolidation shares. Such a consolidation will be initiated as part of implementing a strategic option.

In 2012, as per the resolution of the AGM the Board changed auditors to MacKay LLP. We are very pleased with the work they have done, which includes moving from GAAP to IFRS. This has been accomplished at a substantially lower cost.

On December 3, 2012 the Company announced that effective November 30, 2012; the Company's listing on the TSX Venture Exchange has been transferred to NEX. The Company's tier classification has changed from Tier 2 to NEX because the Company did not meet the requirements for a Tier 2 listing on the Exchange. As a result, the Company's trading symbol has changed to BBS.H.

The long term future of Black Bull is dependent upon maintaining control of its mineral resources until such time as the mineral markets improve. However, there can be no assurances that the steps management is taking will be successful.

Selected Annual Information and Results of Operations

	Year ended September 30, 2012	Year ended September 30, 2011	Year ended September 30, 2010	Year ended September 30, 2009	Year ended September 30, 2008
	$	$	$	$	$
Mineral Revenue	35	159,065	153,197	261,983	257,125
Net Income (loss) and Comprehensive Loss	26,907	(368,396)	(5,576,967)	(2,883,828)	(3,481,960)
Net Income (loss) per Share (Basic and Diluted)	0.00	(0.00)	(0.06)	(0.03)	(0.04)
Total Assets	694,783	891,011	1,353,986	6,898,204	9,716,718

In 2012, mineral revenue was $35 (2011 - $159,065). This miscellaneous revenue reflects the fact that the Company is now in care and maintenance. During fiscal 2012, total operating expenses of $219,295 (2011 - $510,922) a decrease of 57% over 2011 which was a decrease of

52% over 2010. Operation costs were $53,464 ($2011 - $242,692). The operation costs includes property lease costs of $22,116, environmental monitoring $19,504, and property taxes $6,807 and site monitoring $6,026, and site communications are repairs $1,184.

Sales and marketing costs of $4,572 were slightly less than 2011, $6,813. This consists of an allocation of the CEO's fee charged to marketing ($2,484), limited travel ($1,038) and cost of the maintaining the web site $385, as well send fees for sending product samples $665.

General & Administrative Costs	Year ended September 30, 2012	Year ended September 30, 2011	Year ended September 30, 2010	Year ended September 30, 2009	Year ended September 30, 2008
	$	$	$	$	$
Accounting & Legal Fees	12,020	25,151	32,281	80,921	89,903
Advertising & Promotion		-	12	-	990
Insurance	41,409	50,543	61,481	62,465	61,010
Investor Relations	28,217	23,054	25,856	27,601	36,705
Office, Rent & Telephone	6,419	12,076	21,129	36,825	49,227
Travel	1,789	5,912	14,099	18,941	84,392
Consulting Fees	50,262	51,782	112,008	113,354	44,953
Wages & Benefits	7,034	54,253	152,602	285,773	757,618
Other	-	(14,139)	23,460	-	-374
	147,150	$208,632	$442,928	$625,880	$1,124,424

In 2012 general and administration costs were $147 150 significantly less than 2011 - $227,596. This is mainly due to decreases in wage costs to $7,034 from $54,253 in 2011. This was due to reducing employees cost to a minimum. In addition insurance costs were reduced due to reduced property and directors' insurance premiums. Travel costs $1,789 (2011 – $5,912 were reduced due to reduced activities. Consulting fees $50,262 was reduced slightly over 2011 to $51,782 because of less activity. In addition, the office costs were reduced to $6,419 (2011 - $12,076) by streamlining all expenses.

In 2012 there was a gain on the ARO settlement ($253,864) due to decreased estimated reclamation costs. This also resulted in decreased accretion of $6,811 compare to $9,418 in 2011

Interest income was $5,534 compared to interest expense of $3,490 in 2011. In 2011 interest expense was due to overstated amount in 2010. Almost all interest earned is generated from the funds held in trust with the Province of Nova Scotia as a reclamation bond. Loss of foreign exchange was $6,386 as the US exchange account due to timing differences.

For 2012, the Company reported a net income for the year of $26,905 (2011 - $387,360) or a loss of $0.00 per share ($0.00 in 2011). The loss would have been $226,959 except for an adjustment to reclamation obligation

Summary of Quarterly Results and Results of Operations

Quarterly Results	2012				2011				2010		
	Q4	Q2	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$	$	$	$
Income:											
Mineral revenue	-		-	35	125,000	-	-	34,065	9,920	100,069	28,550
Interest (expense) income	1,304	1,398	1,406	1,427	(7,714)	1,407	1,406	1,411	2,743	2,865	2,983
Total	1,304	1,398	1,406	1,462	117,286	1,407	1,406	35,476	12,663	102,934	31,533
Costs:											
Operations and overhead	19,178	12,913	12,724	8,649	144,481	9,979	19,900	78,750	28,051	93,593	29,617
Sales & marketing	571	1,429	1,535	1,037	2,022	2,322	711	1,758	2,545	2,482	5,213
General & admin.	43,330	33,611	36,019	34,190	37,559	46,349	50,995	88,018	94,711	104,350	110,730
Amort./depletion	3,535	3,536	3,536	3,536	6,773	15,004	15,004	15,004	123,916	112,644	111,929
Foreign exchange (gain)/loss	6,386		-		177	-	2,352	1,102	4,289	3,313	5,921
Other	(247,051)		-		8,836	267	-	(4,428)	4,605,897	(6,841)	1,768
	(174,051)	51,489	53,814	47,412	199,848	73,921	88,962	180,204	4,859,409	309,541	265,178
Net Income (loss)	175,354	(50,091)	(52,408)	(45,950)	(82,561)	(72,514)	(87,556)	(144,728)	(4,846,746)	(206,608)	(233,645)
Net loss per share (basic & diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.05)	0.00	0.00

Operating Cash					2011				2010		
	Q4		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$		$	$	$	$	$	$	$	$	$
Net loss	175,354	(50,091)	(52,408)	(45,950)	(82,561)	(72,514)	(87,556)	(144,728)	(4,846,746)	(206,608)	(233,645)
Non-cash operating items	(242,476)	4,574	4,574	4,574	22,362	16,042	21,979	21,861	4,720,544	117,642	118,271
Net cash loss from operations	(67,122)	(45,517)	(47,834)	(41,376)	(60,199)	(56,472)	(65,717)	(127,296)	(126,202)	(73,240)	(118,975)

During Q4 2012, there was no mineral revenue; interest of $1,304 was earned on reclamation fund. Operation cost of $19,178 is primarily comprised property leases of $3,113, allocated environmental costs of $20,754 and wages for site monitoring $1,987, slightly less than the previous quarter

Marketing costs were $571 was primarily related to minimal telephone and web hosting and reduced from the previous quarter.

In Q4 2012, general and administration costs were higher previous quarters, due to a one-time accounting fee of $18,400, and a one-time exchange cost of $6,386. During the period wages and contract staff were $13,236. Administration costs increased by $9,858, compared to Q4 2011,

Amortization costs were $3,535. Foreign exchange cost was a one-time adjustment due to timing other expenses consists of a one time decrease to the asset retirement obligation of $253,864 and annual accretion to the ARO of $6,811. Total expenses in Q4 2012 were $-175,354.

During the fourth quarter, the Company reported a net income of $175,354 compared to a loss of $50,091 in Q3 2012 or $0.00 per share versus $0.00 in Q3 2012. Company recorded $242,476 ($4,574 in Q3 2012) in non-cash operating items in the fourth quarter, resulting in net cash loss from operations of $67,122 compared to a net cash loss from operation of $45,517 in Q3 2012.

Liquidity

At September 30, 2012, Black Bull had $ 68,463 in working capital (current assets less current liabilities). This is a decrease over September 30, 2011 ($200,762) as the Company continues in a declining cash position.

The Company will continue to incur significant operating losses. In response the Company implemented a plan to significantly reduce the Company's cash burn. The Company intends to continue with "care and maintenance", which allows the Company to operate into 2013 with minimal operational obligations.

Capital Resources

During 2013, the Company continues to reduce its cash burn through the implementation of a reduced operation which will be implemented as part of the approved Reduced Operations Business Plan.

Transactions with Related Parties

Included in accounts payable are amounts due to related parties. The amounts payable to related parties are due to directors and senior officers of the Company or to private companies controlled by them, for various services rendered and expenditures incurred on behalf of the Company.

Accounts Payable

Due to Officers and Directors as of	**Sept 30 2012**	Sept 30 2011	October 1 2010
	$ 1,380	$ 2,453	$ 2,780

For the years ended September 30, 2012 and 2011, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements. Consulting fees directly related to Administrative fees were charged by companies controlled by a director and senior officer for the years ended September 30, 2012 and 2011, respectively.

Administrative Fees

	Sept 30 2012	Sept 30 2011
Officers and Directors	**$ 48,053**	$ 51,706

Stock-based compensation expense for the directors and senior officers was $4,172 (2011 - $2,076) for the years ended September 30, 2012 and 2011, respectively. These transactions were made in the normal course of operations for consideration established and accepted by the Company and related parties.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management believes the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of its financial statements.

Mineral properties and deferred costs
The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a units-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof.

Property, Plant and Equipment

Property, plant and equipment represent significant assets of the Company. Depreciation and amortization are recorded on either a declining-balance (DB) or straight-line (SL) basis. Management of the Company reviews and evaluates the carrying value of major assets for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may no longer represent their economic value.

Other estimates

The Company also makes estimates for doubtful accounts, income taxes, stock-based compensation and asset retirement obligations.

Management estimates the collectability of the Company's receivables based on historical experience, age of the receivables, the specific customers' indebted to the Company and general market conditions. Based on these factors, management determines an appropriate amount to be provided as an allowance for doubtful accounts.

In the calculation of income taxes, management will recognize a future income tax asset for all deductible temporary differences, unused tax losses and income tax reductions, and then review the asset to estimate whether a portion or all of it will be realized. The future income tax valuation allowance is estimated so as to be sufficient to reduce the asset to the amount that is more likely than not to be realized.

The Company records compensation expense for stock options using the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. To apply this application assumptions are made regarding the following factors; risk free interest rate, stock volatility, expected life and expected dividend yield. Management determines these factors based on current market conditions and other information available on the date of the grant.

The Company also uses estimates in recognizing the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is

accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR under Multinational Instrument ("MI") 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under MI 52-109, the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of DC&P and ICFR.

International Financial Reporting Standards ("IFRS")

Canadian GAAP for publicly listed entities converts to International Financial Reporting Standards (IFRS) in 2011. The Canadian Performance Reporting Board (CPRB) believes the conversion presents an opportunity to enhance financial reporting and stakeholder relationships. The Canadian Securities Administrators (CSA) set their expectations of disclosure about the changeover that applies to all publicly listed entities.

Conversion to IFRS represents a one-time implementation of multiple accounting standards, several of which differ significantly from Canadian GAAP. The extent of the disclosure about the conversion to IFRS will depend on the nature and complexity of the entity and the needs of its investors.

Investors need to be able to differentiate reported performance changes caused by the adoption of different accounting standards from those caused by business activities. The inability to do so will cause uncertainty about an entity's financial performance. Investors respond to uncertainty by increasing the risk premium in valuing an investment. To diminish uncertainty, investors will want to know whether entities have an appropriate plan in place to deal with the conversion and what to expect from the conversion before it takes place.

The Canadian Securities Administrators (CSA) published Staff Notice 52-320 in May 2008. It provides guidance to an issuer on disclosure of expected changes in accounting policies relating to an issuer's conversion to IFRS. At a high level, it addresses the key elements of the changeover plan and disclosures that should be expected in the MD&A in each reporting period up to the date of the conversion.

The Corporation has completed its key employee IFRS training and has completed its evaluation of the financial reporting impacts of conversion to IFRS. The Corporation also evaluated and re-

documented its information systems, internal controls over financial reporting, and data collection methods to confirm that it can smoothly transition to IFRS while meeting all financial reporting obligations. Based on the internal review, no significant issues are anticipated.

Effect of transition to IFRS

As stated in Note 2, these financial statements are for the period covered by the first annual financial statements prepared in accordance with IFRS as at and for the year ended September 30, 2012. For all accounting periods prior to this, the Corporation prepared its financial statements under Canadian GAAP. In accordance with IFRS 1 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of preparation in Note 2.

IFRS 1 allows first time adopters to IFRS to take advantage of a number of voluntary exemptions from the general principal of retrospective restatement. The Corporation has taken the following exemption:

Decommissioning obligations

Since the Corporation has elected to apply the IFRS 1 full-cost as deemed cost exemption, decommissioning obligations must be measured as at October 1, 2010 using the risk free interest rate of 2% in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The difference between the amount determined under IAS 37 and the carrying amount of the obligation at October 1, 2010 is recognized directly in deficit.

Other information

Other than the information presented below, there were no other material changes to the statement of financial position, statement of comprehensive loss and statement of cash flows as previously presented under Canadian GAAP as of October 1, 2010, September 30, 2010 and for the year then ended.

Reclamation obligations ("ARO")

Under Canadian GAAP, future cash flows related to funding the Corporation's decommissioning obligations in relation to mineral properties is discounted using a risk-adjusted rate.

Under IFRS, the future cash flows are discounted using a to a pre-tax risk free rate that reflects current market assessments of the time value of money and the risks specific to the obligation. This has resulted in a decrease in the decommissioning obligations at the date of transition to IFRS of $58,792, which has been recognized through deficit under the IFRS 1 exemption, and a decrease of $18,964 for the year ended September 30, 2011 which is recognized through the Statement of Comprehensive Loss for that year. Unlike Canadian GAAP, the accretion expense is classified as finance expense under IFRS.

Other MD&A Disclosures

During 2012, no options were granted and 1,341,650 options expired.

Outstanding Securities	Period Ending September 30, 2012	Period Ending January 27, 2013
Common Shares	90,853,271	90,853,271
Options (Exercisable to one Common Share)	6,702,341	5,213,435
Total Outstanding Securities	97,555,612	96,066,706

Risks and Uncertainties

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There are no assurances that the Company's mineral exploration activities will result in further resources that would be economical for commercial production. The commercial viability of mineral deposits is dependent upon a number of factors beyond the Company's control. Some of these factors are attributable to commodity or product pricing and demand, competitive products, currency fluctuations, government policy and regulation, transportation, and environmental protection.

Resource estimates involve degrees of uncertainty in calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling, and other data. The indicated and inferred resource figures set forth by the Company are estimates, and there is no certainty that the level of resources will be realized or the chemical composition or concentration of the resources will be maintained throughout the property. In addition, a decline in the market price of industrial minerals, or a substantial increase in production or shipping costs, may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

Transportation is a critical part of the Company's success. It is imperative that Black Bull provide cost-effective transportation solutions to customers.

Like many Canadian companies may do business in the USA, Black Bull is affected by fluctuations in currency exchange rates. Most of the Company's sales including freight charges will be denominated in US dollars. The Company has some natural hedges with US dollar-based expenses; however, there will be instances when there is exposure to exchange risks. These risks are considered when management sets product pricing and makes hedging decisions.

Maintaining sufficient cash resources to finance a start-up operation is difficult. Debt financing is usually based on positive cash flows and a significant customer base. Many junior resource

companies experience difficulties obtaining debt financing and must rely on other sources such as market equity, mezzanine financing, and/or government programs.

Liability insurance is an issue in the industrial minerals industry. There is growing concern over the number of silicosis-related claims that have been filed against silica processors in the USA. Black Bull has obtained international liability insurance with a silica dust exclusion endorsement. Company research indicates that Black Bull employees and employees of customers are covered for medical conditions by workers compensation. The Company has implemented procedures to ensure users of the materials are aware of available product information.

Black Bull's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on improvement in mineral prices, improvement in sales volumes, and its ability to fund future development programs, and to manage and generate positive cash flows from operations in the future. The Company's financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Company has assessed whether the amounts recorded for mineral claims and deferred costs have suffered any impairment by considering resource estimates, future processing capacity, anticipated sales, and the longer term price estimates for minerals. Management's estimates of these factors are subject to risk and uncertainties, affecting the recoverability of the recorded amounts for mineral claims and deferred costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at www.blackbullresources.com.

CORPORATE INFORMATION

BLACK BULL RESOURCES INC.
PO Box 698
157 Water Street
Shelburne, NS B0T 1W0
Canada
Tel: 902-875-1510
Fax: 902-875-1617
www.blackbullresources.com

CONTACT
Martin MacKinnon
Chief Financial Officer
cfo@blackbullresources.com

GENERAL INFORMATION

Trading Symbol: BBS (TSXV Exchange)

Registered Office:
McInnes Cooper
Purdy's Wharf Tower II
1300-1969 Upper Water Street
PO Box 730
Halifax, NS B3J 2V1
Canada

Transfer Agent:
CIBC Mellon Trust Company
Suite 600
333 — 7th Avenue SW
Calgary, AB T2P 2Z1

Auditors:
MacKay LLP
Suite 1700, 717 - 7th Avenue SW, Calgary, AB T2P 0Z3

Investor Relations:
Joseph MacDonald
President & CEO

DIRECTORS:

James W. Gogan
Director
New Glasgow, NS

Joseph MacDonald
Director
Judique, NS

Richard J. Shearer
Director
Dallas TX.
USA

David L. Wood
Director
Surrey, BC

OFFICERS:

Joseph MacDonald
President & CEO
Judique, NS

Martin C. MacKinnon
Chief Financial Officer
Halifax, NS

Black Bull Resources