BRS VENTURES LTD.

(A Capital Pool Company)

FINANCIAL STATEMENTS

Year ended October 31, 2012

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of BRS Ventures Ltd.

We have audited the accompanying financial statements of BRS Ventures Ltd which comprise the balance sheets as at October 31, 2012, October 31, 2011 and November 1, 2010 and the statements of loss and comprehensive loss, changes in equity (deficiency) attributable to shareholders and cash flows for the years ended October 31, 2012 and October 31, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 BRS Ventures Ltd. as at October 31, 2012, October 31, 2011 and November 1, 2010 and its financial performance and its cash flows for the years ended October 31, 2012 and October 31, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes the uncertainty as to whether or not BRS Ventures Ltd. will complete a Qualifying Transaction as defined by TSX Venture Exchange Policy 2.4. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about BRS Ventures Ltd.'s ability to continue as a going concern.

"Wolrige Mahon LLP"

Chartered Accountants

February 27 2013
Vancouver, British Columbia

BRS VENTURES LTD.
(A Capital Pool Company)
Balance Sheets
(Expressed in Canadian dollars)

	notes	October 31 2012	October 31 2011	November 1 2010
		$	$	$
ASSETS				
Current				
Cash		**166,445**	97,327	25,820
HST recoverable		**12,885**	8,692	10,217
Other assets		**833**	3,373	-
		180,163	109,392	36,037
LIABILITIES				
Current				
Accounts payable and accrued liabilities	10	**28,714**	306,548	242,992
Deposit	5	**-**	-	25,070
		28,714	306,548	268,062
EQUITY (DEFICIENCY) ATTRIBUTABLE TO SHAREHOLDERS				
Share capital	6	**988,145**	490,900	490,900
Subscriptions received	6	**-**	91,667	-
Contributed surplus		**92,150**	92,150	92,150
Deficit		**(928,846)**	(871,873)	(815,075)
		151,449	(197,156)	(232,025)
		180,163	109,392	36,037

Approved by the Board of Directors

"Luke Norman" Director   "Robert McMorran" Director

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

BRS VENTURES LTD.
(A Capital Pool Company)
Statements of Loss and Comprehensive Loss
Years ended October 31
(Expressed in Canadian dollars)

	notes	**2012**	2011
		$	$
Expenses			
Accounting and audit	*10*	**(22,094)**	(11,700)
Legal		**(15,198)**	(59,027)
Listing		**(19,236)**	(15,052)
Office and miscellaneous		**(1,903)**	(1,932)
Loss before other income		**(58,431)**	(87,711)
Gain on forgiveness of debt		**1,458**	5,833
Interest income		**-**	10
Non-refundable deposit forfeited	*5*	**-**	25,070
Net loss and comprehensive loss		**(56,973)**	(56,798)
Basic and diluted (loss) income per share		**(0.00)**	**(0.03)**
Weighted average number of shares outstanding		**12,823,080**	1,966,659

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

BRS VENTURES LTD.
(A Capital Pool Company)
Statements of Changes in Equity (Deficiency) attributable to Shareholders
Years ended October 31
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Subscriptions received	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance, November 1, 2010	1,966,659	490,900	-	92,150	(815,075)	(232,025)
Subscriptions received	-	-	91,667	-	-	91,667
Net loss and comprehensive loss for the year	-	-	-	-	(56,798)	(56,798)
Balance, October 31, 2011	1,966,659	490,900	91,667	92,150	(871,873)	(197,156)
Shares issued pursuant to private placement in consideration for:						
Cash	10,000,000	500,000	(91,667)	-	-	408,333
Finders fees	975,000	48,750	-	-	-	48,750
Less issue costs paid:						
Cash	-	(2,755)	-	-	-	(2,755)
Finders' shares	-	(48,750)	-	-	-	(48,750)
Net loss and comprehensive loss for the year	-	-	-	-	(56,973)	(56,973)
Balance, October 31, 2012	**12,941,659**	**988,145**	**-**	**92,150**	**(928,846)**	**151,449**

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

BRS VENTURES LTD.
(A Capital Pool Company)
Statements of Cash Flows
Year ended October 31, 2012
(Expressed in Canadian dollars)

	2012	2011
	$	$
Cash provided from (used in):		
Operating Activities		
Net loss	**(56,973)**	(56,798)
Items not affecting cash		
Gain on forgiveness of debt	**(1,458)**	(5,833)
Non-refundable deposit forfeited	**-**	(25,070)
	(58,431)	(87,701)
Net change in non-cash working capital items		
HST recoverable	**(4,193)**	1,525
Other assets	**2,540**	(3,373)
Accounts payable and accrued liabilities	**(276,376)**	69,389
	(336,460)	(20,160)
Financing Activities:		
Shares issued for cash, net of issue costs	**405,578**	-
Subscriptions received	**-**	91,667
	405,578	91,667
Increase in cash	**69,118**	71,507
Cash - beginning of year	**97,327**	25,820
Cash - end of year	**166,445**	97,327

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

1. ORGANIZATION, NATURE AND CONTINUANCE OF OPERATIONS

BRS Ventures Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007. The Company is classified as a capital pool company as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). The Company's objective is to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. The Company is currently trading on the NEX board of the TSX Venture Exchange (the "Exchange") under the trading symbol "BRV.H".

The address and domicile of the Company's registered office and its principal place of business is suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. For the year ended October 31, 2012, the Company had: incurred operating losses in the amount of $56,973; accumulated losses of $928,846; had working capital of $151,449; and had not completed a Qualifying Transaction. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that any required additional financing can be secured. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL REPORTING STANDARDS

a) Statement of compliance and functional currency

These financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Therefore these financial statements comply with International Accounting Standard ("IAS") 1 - *Presentation of Financial Statements*. Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The disclosures concerning the transition from Canadian GAAP to IFRS are included in Note 9.

These financial statements have been prepared on an accrual basis, under the historical cost convention except for financial assets and liabilities, which have been measured at fair value as set out in the relevant accounting policies.

These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

These consolidated financial statements were approved by the board of directors on February 27, 2013.

b) Use of estimates and judgments

In accordance with IFRS, the preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances, but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ significantly from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates include valuation of:

(i) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

(ii) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

Financial instruments

All financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured on the balance sheet date at fair value upon initial recognition. Subsequent measurement depends on the initial classification of the instrument. Held-for-trading financial assets are measured at fair value, with changes in fair value recognized in net income (loss). Available-for-sale financial instruments are measured at fair value, with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method.. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless the contracts are to buy or sell a non-financial item that can be net settled and qualify for the normal sales, usage and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in net income (loss).

Share capital

Common shares issued for non-monetary consideration are recorded at their fair market value based initially upon the trading price of the Company's shares on the TSX Venture Exchange ("the Exchange") on the date of the agreement to issue the shares or, for subsequent issues, the date of share issuance.

Costs incurred to issue shares are deferred until the shares are issued, at which time these costs are charged to share capital.

Share-based payments

When the value of goods or services received in exchange for share-based payments cannot be reliably estimated, the fair value is measured by use of a valuation model. The Company has a stock option plan (Note 6 (d)), whereby stock options are granted in accordance with the policies of regulatory authorities. The Company records a compensation cost attributable to all share purchase options granted at fair value at the grant date using the Black-Scholes valuation model and the fair value of all share purchase options are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Black-Scholes model requires the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Income taxes

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. No potential income tax assets of the Company have been recognized.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Basic and diluted loss per share are the same for the years presented.

For the years ended October 31, 2012 and 2011, potentially dilutive common shares (relating to stock options outstanding) totalling 130,000 (2011 – 130,000) were not included in the computation of loss per share because their effect was anti-dilutive.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following pronouncements from the IASB will become effective for financial reporting periods beginning on or after January 1, 2013, except for IFRS-9 will become effective for financial reporting periods beginning on or after January 1, 2015. All of these new or revised standards permit early adoption with transitional arrangements depending upon the date of initial application. The Company is currently assessing the impact of these pronouncements; however, it anticipates that these standards will not have a material impact on the Company's consolidated financial statements.

IFRS-9 - *Financial Instruments* issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for de-recognition. IFRS-9 is expected to be published in three parts. The first part, Phase 1 – classification and measurement of financial instruments sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Phase 1 simplifies the measurement of financial assets by classifying all financial assets as those being recorded at amortized cost or being recorded at fair value. IFRS-9 is effective for periods beginning on or after January 1, 2015, although earlier adoption is allowed. Except for certain additional disclosures, the adoption of this standard is not expected to have an impact on the Company's financial statements.

IFRS-10 - *Consolidated Financial Statements* 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 company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS-10 replaces those parts of IAS-27 Consolidated and Separate Financial Statements (revised 2011) that address when and how an entity should prepare consolidated financial statements and replaces SIC-12 Consolidation – Special Purpose Entities in its entirety. IAS-27 retains the current guidance for separate financial statements.

IFRS-11 - *Joint Arrangements* provides for a more substance based reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS-11 supersedes IAS-31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Ventures. IAS-28 Investments in Associates and Joint Ventures (revised 2011) has been amended to conform to changes based on the issuance of IFRS-10 and IFRS-11.

IFRS-12 - *Disclosure of Interests in Other Entities* requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The effective date of IFRS-12 is January 1, 2013 but entities are permitted to incorporate any of the new disclosures in their financial statements before that date.

IFRS-13 - *Fair Value Measurement* establishes a single framework for measuring fair values. This standard applies to all transactions and balances (whether financial or non-financial) for which IFRS requires or permits fair value measurements, with the exception of share-based payment transactions accounted for under IFRS-2 Share-based Payment and leasing transactions within the scope of IAS-17 Leases. IFRS-13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements.

The IASB has also made amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

5. DEPOSIT

On October 18, 2010 the Company signed a term sheet for a Qualifying Transaction with Landmaster Partners, Inc (LPI). As part of that term sheet, LPI paid a US$25,000 ($25,070) non-refundable deposit to the Company. On July 21, 2011, the Company announced that it would not be proceeding with a transaction and LPI forfeited the deposit which the Company recognized as other income.

6. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Financing:

On November 4, 2011, the Company completed a private placement of 10,000,000 common shares at $0.05 per share for gross proceeds of $500,000. In connection with the private placement, the Company incurred cash issue costs of $2,755. The Company also issued 975,000 finder's shares having a stated value of $48,750 with the same terms as the private placement shares. At October 31, 2011, the Company had received $91,667 of shares subscriptions in connection with the private placement.

On January 27, 2010, the Company completed a private placement of 300,000 common shares at $0.30 per share for gross proceeds of $90,000.

c) Share Consolidation:

Effective November 2, 2011, the Company consolidated its common shares on the basis of one (1) new common share for every three (3) old common shares issued and outstanding at that time. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

d) Options:

The Company has established a stock option plan in accordance with the policies of the Exchange pursuant to which the Company is authorized to grant share purchase options up to 10% of its outstanding shares. The exercise price of options granted equals the market price of the Company's stock on the date of the grant. The options are for a maximum term of five years.

(Expressed in Canadian dollars)

As at October 31, 2012, October 31, 2011 and November 1, 2010, the Company had a total of 130,000 options outstanding and exercisable at a price of $0.30 each at any time up until and including February 28, 2013. The average remaining life of the options outstanding as at October 31, 2012 was 0.33 years (October 31, 2011 - 1.33 years and November 1, 2010 - 2.33 years.

e) Escrow shares:

Pursuant to the regulatory requirements as at October 31, 2012, October 31, 2011 and November 1, 2010, 475,000 issued and outstanding common shares were held in escrow. The shares will be released as to 10% on the completion of the Company's Qualifying Transaction and the remainder will be released in 6 equal tranches of 15% each every 6 months thereafter.

f) Earnings (loss) per share

Net earnings (loss) per share is calculated based on the weighted average number of shares outstanding as follows:

	October 31 2012	**October 31 2011**
Basic and diluted weighted average number of common shares	**12,823,080**	1,966,659
	$	$
Adjusted (loss)		
Net loss	**(56,973)**	(56,798)

7. INCOME TAX EXPENSE

The tax expense differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

	October 31 2012	October 31 2011
Loss for the period before income tax recovery	**$ (56,973)**	$ (56,798)
Average statutory rate	**25.25%**	26.50%
	$	$
Recovery of income taxes based on statutory rates	**14,386**	15,051
Increase (decrease) in income tax recovery resulting from:		
Effect of change in tax rate	**(284)**	(852)
Change in non-recognized deferred tax assets	**(14,102)**	(14,199)
Income tax recovery	**-**	-

For income tax purposes, as at October 31, 2012, the Company had $928,000 (2011 - $872,000) of Canadian federal net operating losses carry-forward of which expire as follows:

(Expressed in Canadian dollars)

year	$
2027	17,000
2028	158,000
2029	309,000
2030	331,000
2031	57,000
2032	56,000
	928,000

The Company has deferred tax assets which have not been recognized in the statement of financial position as follows:

	October 31 2012	October 31 2011
	$	$
Deferred tax assets		
Losses carried forward	**274,941**	217,968

Deferred income tax assets are only recognized to the extent that the realization of tax loss carry-forwards is determined to be probable. As at October 31, 2012, the Company has not recognized any income tax assets.

8. FINANCIAL INSTRUMENTS

Management of Capital

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and investment balances to cover operating costs over a reasonable future period, generally one to one and a half years. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise.

Excess cash investments are restricted to bankers' acceptances of major Canadian banks or instruments of equivalent or better quality. The Company currently has no externally-imposed capital requirements except to maintain sufficient cash.

Classification of Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

Fair Value of Financial Instruments

The Company classifies the fair value of the financial receivables according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is primarily held with highly rated banking institutions and at lawyers.

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 risk that the Company will realize a loss is limited because at present the Company's liabilities are non-interest bearing or have fixed interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. The Company has working capital of $151,449 as at October 31, 2012.

9. FIRST-TIME ADOPTION OF IFRS

The Company adopted IFRS on November 1, 2011 with the transition date of November 1, 2010 (the "Transition Date"). Under IFRS 1 - *"First-time Adoption of International Financial Reporting Standards"*, IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as previously stated under Canadian GAAP taken to deficit unless certain exemptions are applied. The Company has chosen to apply the following elections:

a) Not apply IFRS 2- *"Share-based Payments"*, to liabilities arising from share-based payment transactions that were settled before the Transition Date or to equity instruments fully vested before the Transition Date.

There were no material adjustments to the balance sheets, statements of loss and comprehensive loss, statements of changes in equity (deficiency) or the statements of cash flows on adopting IFRS as at November 1, 2010, as at October 31, 2011, as at October 31, 2012, or for the year ended October 31, 2012. Accordingly, no reconciliation schedules have been provided with these financial statements.

10. KEY MANAGEMENT COMPENSATION AND RELATED PARTIES

The retention of certain key management personnel is not subject to any management agreements,

Some key management personnel, or their related parties, may hold positions in other entities whose services are retained by the Company. In such instances, these appointments result in the Company's key management personnel representing those related parties in which they hold control or significant influence over the financial or operating policies of these entities.

Key management includes current and former senior officers and directors (executive and non-executive) of the Company. During the year ended October 31, 2012 the Company has incurred accounting fees paid to a director and the Chief Financial Officer or his associates in the amount of

$9,019 (October 31, 2011 - $nil). This expenditure was measured at the exchange amount which is the amount agreed upon by the transacting parties. Other than these fees, there were no other transactions with related parties. There was no compensation paid or payable to key management for employee services.

In addition, as at October 31, 2012 the Company's total indebtedness to related parties amounted to $1,928 (2011 - $nil). The amounts due to related parties are unsecured, non-interest-bearing and due on demand.