WILDCAT SILVER CORPORATION

Consolidated Financial Statements

For the Year Ended December 31, 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The preparation and presentation of these consolidated financial statements and accompanying Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments at this time. The financial information presented throughout the Management's Discussion and Analysis dated March 14, 2013 is consistent with that contained in the consolidated financial statements.

The Company maintains systems of internal accounting controls, policies and procedures to provide reasonable assurance as to the reliability of the financial records and the safeguarding of its assets. Management meets the objectives of internal accounting control through the prudent selection and training of personnel and an organization providing for appropriate delegation of authorities and segregation of responsibilities.

The Board of Directors reviews management's responsibilities with respect to the consolidated financial statements primarily through the activities of its Audit Committee, which is composed solely of independent directors of the Company. The Audit Committee meets with management and the Company's independent auditors to review the consolidated financial statements and recommend their approval by the Board of Directors. The Audit Committee is also responsible for making recommendations with respect to the appointment, remuneration and the terms of engagement of the Company's auditors. The Audit Committee also meets with the auditors, without the presence of Management, to discuss the results of the audit, related findings and their suggestions.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, who were appointed by the shareholders of the Company at the annual shareholders' meeting. The auditors' report follows.

/s/ Richard W. Warke
Chairman and Chief Executive Officer

/s/ Paul J. Ireland
Chief Financial Officer

March 14, 2013

March 14, 2013

Independent Auditor's Report

To the Shareholders of Wildcat Silver Corporation

We have audited the accompanying consolidated financial statements of Wildcat Silver Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2012 and December 31, 2011, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year ended December 31, 2012, the period ended December 31, 2011 and the year ended June 30, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2012, December 31, 2011 and June 30, 2011 and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP
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Emphasis of matter

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

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP
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Wildcat Silver Corporation
Consolidated Statements of Financial Position
(U.S. dollars)

	December 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 1,136,193	$ 13,885,594
Accounts receivable (note 4)	310,891	304,457
Prepaids and other	132,704	59,162
	1,579,788	14,249,213
Due from related party (note 5)	1,427,000	1,396,000
Investment in marketable securities (note 6)	180,923	319,567
Property, plant and equipment	104,358	102,233
Other assets (note 10)	92,710	111,341
Mineral properties (note 7)	26,682,786	26,682,786
Exploration and evaluation expenditures (note 7)	31,716,967	20,837,981
	$ 61,784,532	$ 63,699,121
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 2,536,708	$ 3,029,097
Due to related parties (note 10)	8,559	20,835
Total liabilities	2,545,267	3,049,932
Equity		
Equity attributable to shareholders of the Company:		
Common shares (note 9)	75,478,222	74,695,934
Reserves	4,580,510	3,487,572
Deficit	(24,428,808)	(20,070,779)
	55,629,924	58,112,727
Non-controlling interest (note 5)	3,609,341	2,536,462
Total equity	59,239,265	60,649,189
	$ 61,784,532	$ 63,699,121

Nature of operations and going concern (note 1)
Subsequent event (note 15)

APPROVED BY THE DIRECTORS

/s/ Robert P. Wares — Robert P. Wares – Director

/s/ Richard W. Warke — Richard W. Warke – Director

March 14, 2013

See accompanying notes to the consolidated financial statements.

Wildcat Silver Corporation
Consolidated Statements of Comprehensive Loss
(U.S. dollars)

	Year ended December 31, 2012	Six months ended December 31, 2011	Year ended June 30, 2011
Expenses:			
Stock based compensation (note 9b)	$ 1,407,522	$ 646,833	$ 949,758
Salaries and benefits	1,839,942	591,983	730,328
Filing and regulatory	41,121	241,190	23,241
Office and administrative	358,735	205,777	270,764
Professional services	168,357	140,857	288,502
Investor relations	189,391	110,368	151,798
Insurance	84,919	38,253	27,124
Legal	97,979	102,812	120,589
Recruitment and relocation fees	1,688	14,673	3,139
Travel	32,118	22,250	75,677
Fiscal and advisory services	20,594	22,809	19,747
Director's fees	11,006	-	-
Interest and finance charges	6,725	4,260	8,492
Depreciation	10,421	3,463	13,567
Gain on Riva Gold transactions (note 6)	-	-	(190,907)
Foreign exchange (gain) loss (note 11a)	146,812	(821,068)	68,988
Interest and other income	(40,420)	(138,480)	(28,376)
Loss before income taxes	(4,376,910)	(1,185,980)	(2,532,431)
Deferred income tax recovery (note 14)	-	-	(137,309)
Net loss	(4,376,910)	(1,185,980)	(2,395,122)
Other comprehensive loss (income):			
Unrealized loss (gain) on marketable securities, net of deferred income tax of $nil (June 30, 2011 expense of $137,309) (note 6)	144,096	858,453	(762,683)
Foreign currency translation (gain) loss (note 11a)	(263,057)	791,310	(125,252)
	118,961	(1,649,763)	887,935
Comprehensive loss	$ (4,257,949)	$ (2,835,743)	$ (1,507,187)
Net loss attributable to:			
Shareholders of the Company	$ (4,358,029)	$ (1,176,748)	$ (2,375,974)
Non-controlling interest	(18,881)	(9,232)	(19,148)
	$ (4,376,910)	$ (1,185,980)	$ (2,395,122)
Comprehensive loss attributable to:			
Shareholders of the Company	$ (4,239,068)	$ (2,826,511)	$ (1,488,039)
Non-controlling interest	(18,881)	(9,232)	(19,148)
	$ (4,257,949)	$ (2,835,743)	$ (1,507,187)
Basic and diluted net loss per share attributable to shareholders of the Company	$ (0.033)	$ (0.009)	$ (0.022)
Weighted average number of shares outstanding	132,294,551	129,172,563	106,511,951

See accompanying notes to the consolidated financial statements.

Wildcat Silver Corporation

Consolidated Statements of Changes in Equity

(U.S. dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income	Options and warrants	Total	Deficit	Non-controlling interest	Total equity
Balance, January 1, 2012	131,751,798	$ 74,695,934	$ (761,828)	$ 4,249,400	$ 3,487,572	$ (20,070,779)	$ 2,536,462	$ 60,649,189
Stock based compensation expense	-	-	-	1,407,522	1,407,522	-	-	1,407,522
Stock based compensation applied to exploration and evaluation expenditures	-	-	-	316,690	316,690	-	-	316,690
Issued on exercise of stock options (note 9)	875,453	36,112	-	-	-	-	-	36,112
Share issue costs	-	(4,059)	-	-	-	-	-	(4,059)
Fair value of options exercised	-	750,235	-	(750,235)	(750,235)	-	-	-
Required contributions for project costs (note 5)	-	-	-	-	-	-	1,091,760	1,091,760
Comprehensive income (loss)	-	-	118,961	-	118,961	(4,358,029)	(18,881)	(4,257,949)
Balance, December 31, 2012	132,627,251	$ 75,478,222	$ (642,867)	$ 5,223,377	$ 4,580,510	$ (24,428,808)	$ 3,609,341	$ 59,239,265

See accompanying notes to the consolidated financial statements.

Wildcat Silver Corporation

Consolidated Statements of Changes in Equity
(U.S. dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income	Options and warrants	Total	Deficit	Non-controlling interest	Total equity
Balance, July 1, 2011	126,751,798	$ 70,971,237	$ 887,935	$ 3,501,588	$ 4,389,523	$ (18,894,031)	$ 1,797,479	$ 58,264,208
Stock based compensation expense	-	-	-	646,833	646,833	-	-	646,833
Stock based compensation applied to exploration and evaluation expenditures	-	-	-	234,341	234,341	-	-	234,341
Issued on exercise of warrants	5,000,000	3,591,335	-	-	-	-	-	3,591,335
Fair value of warrants exercised	-	133,362	-	(133,362)	(133,362)	-	-	-
Required contributions for project costs (note 5)	-	-	-	-	-	-	748,215	748,215
Comprehensive loss	-	-	(1,649,763)	-	(1,649,763)	(1,176,748)	(9,232)	(2,835,743)
Balance, December 31, 2011	131,751,798	$ 74,695,934	$ (761,828)	$ 4,249,400	$ 3,487,572	$ (20,070,779)	$ 2,536,462	$ 60,649,189

See accompanying notes to the consolidated financial statements.

Wildcat Silver Corporation
Consolidated Statements of Changes in Equity
(U.S. dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income	Options and warrants	Total	Deficit	Non-controlling interest	Total equity
Balance, July 1, 2010	95,533,881	$ 45,504,946	$ -	$ 3,299,820	$ 3,299,820	$ (16,354,189)	$ 1,234,917	$ 33,685,494
Issued on private placements	20,000,000	18,613,132	-	-	-	-	-	18,613,132
Stock based compensation expense	-	-	-	949,758	949,758	-	-	949,758
Stock based compensation applied to exploration and evaluation expenditures	-	-	-	190,993	190,993	-	-	190,993
Fair value of warrants issued	-	(133,362)	-	133,362	133,362	-	-	-
Issued on exercise of stock options	41,667	10,745	-	-	-	-	-	10,745
Issued on exercise of warrants	11,176,250	5,967,736	-	-	-	-	-	5,967,736
Share issue costs	-	(64,305)	-	-	-	-	-	(64,305)
Fair value of stock options exercised	-	8,392	-	(8,392)	(8,392)	-	-	-
Fair value of warrants exercised	-	1,063,953	-	(1,063,953)	(1,063,953)	-	-	-
Required contributions for project costs	-	-	-	-	-	-	581,710	581,710
Comprehensive loss	-	-	887,935	-	887,935	(2,375,974)	(19,148)	(1,507,187)
Gain on Riva Gold transaction (note 6)	-	-	-	-	-	990,083	-	990,083
Dividends-in-kind (note 6)	-	-	-	-	-	(1,153,951)	-	(1,153,951)
Balance, June 30, 2011	126,751,798	$ 70,971,237	$ 887,935	$ 3,501,588	$ 4,389,523	$ (18,894,031)	$ 1,797,479	$ 58,264,208

See accompanying notes to the consolidated financial statements.

Wildcat Silver Corporation

Consolidated Statements of Cash Flows
(U.S. dollars)

	Year ended December 31, 2012	Six months ended December 31, 2011	Year ended June 30, 2011
Cash provided by (used in):			
Operating activities:			
Net loss	$ (4,376,910)	$ (1,185,980)	$ (2,395,122)
Items not affecting cash:			
Stock based compensation	1,407,522	646,833	949,758
Unrealized foreign exchange (gain) loss	170,840	(736,596)	(98,339)
Gain on Riva Gold transaction	-	-	(190,907)
Deferred income tax recovery	-	-	(137,309)
Depreciation	10,421	3,463	13,567
	(2,788,127)	(1,272,280)	(1,858,352)
Net changes in non-cash working capital items:			
Accounts receivable	(120,773)	(14,596)	70,444
Prepaid and other	(73,542)	(5,050)	(22,385)
Accounts payable and accrued liabilities	(105,854)	(3,392)	(115,231)
Due to related parties	(12,276)	15,604	(88,552)
	(3,100,572)	(1,279,714)	(2,014,076)
Financing activities:			
Proceeds from private placements	-	-	18,613,132
Exercise of share warrants and options	36,112	3,591,335	5,978,481
Share issue costs	(4,059)	-	(64,305)
Contributions from non-controlling interest	1,235,071	798,850	305,345
	1,267,124	4,390,185	24,832,653
Investing activities:			
Purchase of property, plant and equipment	(32,758)	(43,582)	(45,225)
Other assets	-	(17,715)	(93,626)
Deferred acquisition costs	-	-	(50,172)
Additions to exploration and evaluation expenditures	(10,959,497)	(7,472,073)	(4,911,562)
	(10,992,255)	(7,533,370)	(5,100,585)
Effect of exchange rate changes on cash and cash equivalents	76,302	(19,103)	119,752
Decrease in cash and cash equivalents	(12,749,401)	(4,442,002)	17,837,744
Cash and cash equivalents, beginning of period	13,885,594	18,327,596	489,852
Cash and cash equivalents, end of period	$ 1,136,193	$ 13,885,594	$ 18,327,596
Supplementary information:			
Cash and cash equivalents, end of period comprise:			
Cash and balances with banks	$ 83,391	$ 727,013	$ 849,401
Short-term investments	1,052,802	13,158,581	17,478,195
	$ 1,136,193	$ 13,885,594	$ 18,327,596
Non-cash financing and investing activities	$ (417,535)	$ 350,405	$ 945,969
Non-cash transactions:			
Dividends-in-kind (note 6)	$ -	$ -	$ (1,153,951)

See accompanying notes to the consolidated financial statements.

1. Nature of Operations and Going Concern

Wildcat Silver Corporation (the "Company" or "Wildcat") is incorporated in British Columbia, Canada and holds a majority ownership interest in the Hermosa property in Arizona, United States, through its ownership of 80% of the common shares of Arizona Minerals Inc. ("Arizona Minerals"), the holder of the property. The remaining 20% of the common shares of Arizona Minerals are held by 5348 Investments Ltd. ("5348 Investments"), a wholly-owned subsidiary of Diamond Hill Investment Corp. ("Diamond Hill"). Diamond Hill, a private British Columbia company controlled by a director of the Company, also holds a 2% net smelter royalty interest in the Hermosa property. The Company's registered office is located at Suite 600-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6 and its shares are listed on the Toronto Stock Exchange.

The Company is engaged in mineral exploration and is considered to be an exploration stage enterprise as it has yet to generate revenue from operations. The Company is in the process of exploring its mineral resource properties and has not yet determined whether its mineral resource property interests contain reserves that are economically recoverable. The amounts shown as mineral properties and exploration and evaluation expenditures represent acquisition and exploration costs and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties and exploration and evaluation expenditures is dependent upon the discovery of economically recoverable mineral reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

At December 31, 2012 the Company had cash and cash equivalents of $1,136,193, negative working capital of $965,479 and a deficit of $24,428,808. The Company expects that it will require financing before the end of the first quarter of 2013 to meet its ongoing requirements.

On March 4, 2013 the Company announced that it had entered into a letter of intent with Riva Gold Corporation ("Riva") providing for the acquisition by the Company of all of the outstanding common shares of Riva in consideration for one common share of Wildcat for each 4.7 Riva common shares. Riva is a Canadian-based mineral exploration company that had been assessing strategic alternatives and evaluating potential opportunities and currently has a cash balance of approximately C$8.1 million and does not hold any mineral properties. In connection with the acquisition, Riva also agreed to provide a C$1 million secured term loan to Wildcat. Interest payable on the loan is equal to the prime rate plus 4% and the loan matures on December 31, 2013. The proposed acquisition remains subject to, among other things, the negotiation and execution of a definitive agreement and applicable shareholder and regulatory approvals.

There can be no assurance that a definitive agreement will be entered into or that the proposed acquisition will be consummated. Should the proposed transaction not be consummated, the Company expects that it will obtain alternative funding through equity financing, debt financing or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding on acceptable terms. Accordingly, these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. These financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Basis of Presentation

a) Statement of compliance

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

Effective July 1, 2011 the Company changed its fiscal year end to December 31. Accordingly, the consolidated statements of comprehensive loss and cash flows present the comparative figures for the six months ended December 31, 2011 and the year ended June 30, 2011.

The Board of Directors authorized these financial statements for issue on March 14, 2013.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss or available for sale securities which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its 80% owned subsidiary, Arizona Minerals Inc. ("Arizona Minerals"), a Nevada corporation that holds the Hermosa property. All inter-company balances and transactions are eliminated on consolidation.

d) Presentation and functional currency

These consolidated financial statements are presented in United States dollars, which is the Company's presentation currency. The functional currency of the parent is the Canadian dollar and its financial statements have been translated into US dollars in accordance with IAS 21. These guidelines require that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the exchange rate at the dates of the transactions. All resulting exchange differences are reported as a separate component of reserves in shareholders' equity entitled "Accumulated Other Comprehensive Income". The functional currency of the Company's 80% owned subsidiary, Arizona Minerals, is the United States dollar.

Transactions in foreign currencies are initially recorded into the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates, unless the item is carried at fair value, in which case it will be translated at the exchange rate in effect at the date when the fair value was determined. Resulting foreign exchange gains and losses are recognized in the income statement.

e) Use of estimates and judgements

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period.

Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are as follows:

Judgements:

- Mineral properties and exploration and evaluation expenditures – consideration for impairment. The Company uses its judgement to determine first, whether a triggering event has occurred that may require it to consider if a mineral property should be subject to impairment testing and second, if this is the case, to determine the applicable factors relevant in determining the value of the property.

Estimates:

- Accounts payable and accrued liabilities – estimation of ultimate withholding tax liability with respect to the Company's acquisition of 80% of the common shares of Arizona Minerals – see note 5 for further details.

- Mineral property and exploration and evaluation expenditures impairment estimation – If it has been determined that a triggering event has occurred requiring the Company to calculate whether an impairment charge is required against its mineral properties and exploration and evaluation expenditures, the Company may consider the resource estimates for that mineral property, if applicable in its calculations. The Company calculates its resources based on information compiled by qualified persons as defined by NI 43-101. There are numerous uncertainties inherent in estimating resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of the resource and result in it being revised.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented.

a) Cash and cash equivalents

Cash and cash equivalents include amounts held in banks and short-term investments with maturities at point of purchase of 90 days or less or are cashable after 30 days at the option of the Company. Interest from cash and cash equivalents is recorded on an accrual basis.

b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation.

Depreciation is calculated using the straight-line method, based on the estimated useful lives of the assets as follows:

Storage containers	10 years straight-line
Vehicles	5 years straight-line
Furniture and equipment	5 years straight-line
Computer hardware and software	3 years straight-line

c) Mineral properties and exploration and evaluation expenditures

Mineral property acquisition costs and resource exploration and development costs are capitalized on an individual project basis once legal right to explore a specific area has been obtained until such time as the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or the prospect is sold, abandoned, allowed to lapse, or determined to be impaired.

Exploration and evaluation expenditures for properties placed into production will be amortized on a unit-of-production basis, based on proven and probable reserves. Costs for prospects that are abandoned are written off at the time a decision is made not to continue exploration and development. Payments received by the Company when a property is optioned to another party are recorded as an offset to acquisition costs until those payments exceed expenditures, at which point they are recognized in net income.

Recoverability of the amounts shown for mineral properties and exploration and evaluation expenditures is dependent upon the discovery of economically recoverable mineral reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties.

The Company reviews and evaluates its mineral properties and exploration and evaluation expenditures for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where such indications exist the recoverable amount is estimated by calculating the higher of the asset's fair value less cost to sell and its value in use. Where information is available estimated future net cash flows are calculated using estimated future prices, proven and probable reserves, resources and operating and capital costs on a discounted basis. If the estimated discounted future net cash flows are less than the carrying value of the asset, an impairment charge is recorded. Where estimated future cash flows are not available the carrying value is written down to its estimated fair value.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration or development of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any undisputed claims of title.

d) Share capital

Proceeds from share issuances are recorded net of issue costs. Share capital issued as non-monetary consideration is recorded at an amount based on the fair value of the consideration received.

e) Loss per share

Basic loss per share calculations are based on the net loss attributable to common shareholders for the period divided by the weighted average number of common shares issued and outstanding during the respective periods.

Diluted loss per share calculations are based on the net loss attributable to common shareholders for the period divided by the weighted average number of common share outstanding during the period plus the effects of dilutive common share equivalents. The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from the in-the-money options and other dilutive instruments are used to repurchase common shares at the prevailing market rate.

f) Share-based payments

The Company has established a share-based payment plan (stock options) for eligible directors, officers, employees and contractors and accounts for this plan using the fair value method of accounting. Under this method, the grant date fair value of an award under the plan is recognized as an expense or addition to exploration and evaluation expenditures using a graded method, with a corresponding increase in reserves. The Company estimates the grant date fair value of the award using the Black-Scholes option pricing model. The number of options expected to vest are estimated at the grant date and reviewed at least annually thereafter. Where the stock options are exercised, the proceeds are credited to share capital and the associated fair value at the date of grant is reclassified from reserves to share capital.

For awards subject to vesting, the Company recognizes an expense or addition to exploration and evaluation expenditures over the period that the holder becomes unconditionally entitled to the awards. Awards not subject to vesting are recognized as an expense or addition to exploration and evaluation expenditures at the grant date.

Non-employee stock options are re-valued at each period end reporting date until the measurement date occurs, which is when the Company receives the goods or the counterparty renders service. Any change in value is charged to earnings or added to exploration and evaluation expenditures until the measurement date, with the offset recorded against reserves.

g) Financial assets

Upon initial recognition all financial assets are initially recorded at fair value and designated into one of the following four categories: held to maturity, available-for-sale, loans and receivables, or at fair value through profit or loss ("FVTPL"). The designation depends on the purpose for which the financial assets were acquired.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company has not designated any financial assets upon initial recognition as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's cash and cash equivalents, accounts receivable and due from related party are classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains or losses recognized in other comprehensive income and loss except for losses in value that are considered impairments which are recognized in earnings. At December 31, 2012 and December 31, 2011, the Company's investments in marketable securities are classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

h) Financial liabilities

All of the Company's financial liabilities are classified as other financial liabilities. The Company does not have any financial liabilities classified as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, to, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and amounts due to related parties are classified as other financial liabilities.

i) Reclamation and restoration provision

The reclamation and restoration provision arises due to legal or constructive obligations as a result of the Company's exploration activities, and are recorded in the period in which the activity generating the liability is incurred. The estimated present value of such reclamation and restoration costs, calculated using a risk-free, pre-tax discount rate, are capitalized to exploration and evaluation expenditures along with the recording of a corresponding liability as soon as the obligation to incur such cost arises. The liability is adjusted each year for the unwinding of the discount rate, changes to the current market based discount rate and for the amount or timing of the underlying cash flows needed to settle the obligation.

j) Income taxes

Income tax is recognized in net income (loss) for the period except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or equity, respectively. Deferred tax is provided using the balance sheet method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j) New accounting standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting periods beginning on or after January 1, 2013, except for IFRS 9, which has now been extended to periods on or after January 1, 2015. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has not yet assessed the impact of this standard on its financial reporting.

- 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 and provides additional guidance where it is difficult to assess. IFRS 10 replaces the consolidated requirements in SIC-12, *Consolidated-Special Purpose Entities*, and IAS 27, *Consolidated and Separate Financial Statements*. No substantive changes are expected to arise from this standard on the Company's financial reporting.

- IFRS 11, *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. 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 Venturers*. No substantive changes are expected to arise from this standard on the Company's financial reporting.

- IFRS 12, *Disclosures of Interest in Other Entities* provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint agreements, associates and consolidated structured entities. This standard will require additional disclosures by the Company with respect to its 80% owned subsidiary, Arizona Minerals, primarily as a result of the 20% non-controlling interest.

- IFRS 13, *Fair Value Measurement* provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. No substantive changes are expected to arise from this standard on the Company's financial reporting.

4. Accounts Receivable

		December 31, 2012		December 31, 2011
Due from Diamond Hill (Note 5)	$	-	$	253,421
Due from 5348 Investments (Note 5)		120,451		-
Due from related party (Note 10)		49,921		32,526
GST/HST receivable		17,948		18,478
Other		122,571		32
	$	310,891	$	304,457

All accounts receivable are current and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of accounts receivable approximates their carrying value.

5. Non-Controlling Interest

Non-controlling interest represents the 20% interest in the common shares of Arizona Minerals held by 5348 Investments, a wholly-owned subsidiary of Diamond Hill.

Pursuant to a shareholders' agreement (the "Shareholders' Agreement") governing the affairs of Arizona Minerals, the Company controls the affairs of Arizona Minerals and acts as the operator of the Hermosa property. Funding expenditures on the property are in accordance with the Shareholders' Agreement, which provides 5348 Investments with a 10% carried interest. The Shareholders' Agreement provides for dilution of 5348 Investments' equity interest in the event it fails to fund its share of any equity funding for approved programs. Accounts receivable includes $120,451 (December 31, 2011 – $nil) outstanding from 5348 Investments, and $nil (December 31, 2011 – $253,421) outstanding from Diamond Hill, which were subsequently received by the Company.

The Company acquired its 80% interest in the common shares of Arizona Minerals from Diamond Hill in May 2006. Based on the purchase consideration and related tax filings, at December 31, 2012, the Company has an estimated withholding tax obligation with respect to the acquisition of $1,427,000 (December 31, 2011 – $1,396,000), including penalties and interest, which has been included in accounts payable and accrued liabilities. Diamond Hill and 5348 Investments have provided indemnification to the Company in the event the Company is required to pay the withholding tax, which is secured against 5348 Investments' 20% ownership interest in Arizona Minerals. As a consequence of the indemnification the Company has recorded an amount due from related party for $1,427,000 (December 31, 2011 – $1,396,000).

6. Investment in Marketable Securities

Investment in marketable securities represents the Company's investment of 1,000,000 common shares in Riva Gold Corporation ("Riva"), which is listed on the Toronto Venture Exchange.

Riva was incorporated as a wholly owned subsidiary of the Company on March 31, 2010 for the purpose of acquiring Mammoth Minerals Inc., a private company with mineral exploration properties in Guyana, South America. During the year-ended June 30, 2011, the Company recorded gains totalling $1,180,990, with respect to the dilution of its former 100% interest in Riva as a result of this acquisition and a private placement of shares in Riva. Of the gain, $990,083 was attributed to the shareholders of the Company and recorded in equity with the balance of $190,907 attributed to the Company's facilitation of these transactions as an agent, and was recorded in the statement of operations. The Company distributed 9,392,653 Riva common shares to the Company's shareholders, which was recorded as a dividend-in-kind in the amount of $1,153,951. The Company's remaining investment in Riva of 1,000,000 common shares is carried at fair value and is being released from escrow over three years.

At December 31, 2012 the investment had a market value of $180,923 (December 31, 2011 – $319,567). An unrealized loss of $144,096 (six months ended December 31, 2011 – unrealized loss of $858,453 and year ended June 30, 2011 – unrealized gain of $899,992) less deferred income tax of $nil (six months ended December 31, 2011 – $nil and year ended June 30, 2011 – $137,309) has been recorded in other comprehensive loss in the consolidated statements of operations during the year ended December 31, 2012 in respect of the mark-to-market.

7. Mineral Properties and Exploration and Evaluation Expenditures

Mineral properties and exploration and evaluation expenditures relate to the Company's interest in the Hermosa property, in Arizona, United States. Mineral properties represent the acquisition cost of the Hermosa property in 2006.

The following is a summary of changes in exploration and evaluation expenditures:

	Year ended December 31, 2012	Six months ended December 31, 2011
Balance, start of period	$ 20,837,981	$ 12,771,185
Additions:		
Drilling	1,631,903	3,574,909
Drill access and restoration	1,764,808	1,337,527
Assay and analysis	851,589	750,786
Salaries, benefits and stock based compensation	1,101,568	523,974
Geologic consulting and support	1,061,200	683,610
Engineering and metallurgy	2,623,400	390,700
Environmental baseline studies	951,645	255,227
Other	892,873	550,063
Subtotal	10,878,986	8,066,796
Balance, end of period	$ 31,716,967	$ 20,837,981

8. Accounts Payable and Accrued Liabilities

	December 31, 2012	December 31, 2011
Trade payables	$ 654,231	$ 1,470,364
Accrued liabilities (Note 5)	1,456,777	1,558,733
Reclamation and restoration provision	425,700	-
	$ 2,536,708	$ 3,029,097

9. Share Capital

a) Common shares

Authorized: Unlimited common shares and unlimited preferred shares, with no par value

Issued and fully paid: 132,627,251 (December 31, 2011 – 131,751,798)

b) Stock options

The Company has a stock option plan providing for the issuance of options that shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company as at the date of grant of the options. The Company may grant options to directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries. The exercise price of each option cannot be lower than the previous day's closing market price of the Company's shares on the date of grant less any applicable discounts pursuant to the stock option plan. The options vest rateably over periods of up to five years and expire within 5 years from the date of grant as determined by the Board of Directors.

For the year ended December 31, 2012 the Company recognized a stock-based compensation charge against income of $1,407,522 (six months ended December 31, 2011 – $646,833 and year ended June 30, 2011 – $949,758) and a further $316,690 (six months ended December 31, 2011 – $234,341 and year ended June 30, 2011 – $190,993) was capitalized to exploration and evaluation expenditures.

The assumptions used in the Black-Scholes option-pricing model for the options granted during the year ended December 31, 2012 and the six months ended December 31, 2011 were as follows:

Weighted average:	Year ended December 31, 2012	Six months ended December 31, 2011	Year ended June 30, 2011
Expected term (years)	5	5	5
Volatility	119%	120%	119%
Expected dividend yield	-	-	-
Risk-free interest rate	1.4%	1.9%	2.3%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in assumptions can significantly affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The following table shows the change in the Company's stock options during the year ended December 31, 2012 and the six months ended December 31, 2011:

	Year ended December 31, 2012		Six months ended December 31, 2011	
	Number of Options	Weighted Average Exercise Price (in CAD)	Number of Options	Weighted Average Exercise Price (in CAD)
Balance, start of period	8,102,000	$0.70	8,667,000	$0.75
Granted	820,000	$1.51	150,000	$2.09
Exercised	(1,604,999)	$0.52	-	-
Forfeited	(130,834)	$1.57	-	-
Expired	(261,667)	$1.85	(715,000)	$1.58
Balance, end of period	6,924,500	$0.78	8,102,000	$0.70

During the year ended December 31, 2012, 1,500,000 options with an average exercise price of $0.535 were exercised under the cashless exercise provisions of the Company's stock option plan. The cashless exercise feature allows the optionee, on exercise, to receive that number of common shares in the Company equivalent to the market value of the common shares underlying the number of options exercised less the exercise price, without payment of cash or any other consideration.

The following table provides information on outstanding and exercisable stock options at December 31, 2012:

		Options Outstanding		Options Exercisable	
Grant Date	Exercise Price (in CAD)	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
July 3, 2008	$0.33	750,000	0.50	750,000	0.50
September 4, 2009	$0.49	1,848,000	1.68	1,848,000	1.68
December 9, 2009	$0.44	275,000	1.94	275,000	1.94
June 1, 2010	$0.46	440,000	2.42	293,334	2.42
August 25, 2010	$0.35	600,000	2.65	600,000	2.65
October 1, 2010	$0.41	125,000	2.75	83,333	2.75
December 29, 2010	$0.54	1,050,000	2.99	699,997	2.99
February 25, 2011	$0.70	35,000	3.15	11,666	3.15
June 14, 2011	$1.81	846,500	3.45	508,165	3.45
July 11, 2011	$2.18	75,000	3.53	25,000	3.53
August 4, 2011	$2.00	75,000	3.59	25,000	3.59
March 2, 2012	$2.16	300,000	4.17	300,000	4.17
May 4, 2012	$1.27	305,000	4.34	-	4.34
May 28, 2012	$0.90	200,000	4.41	-	4.41
		6,924,500	2.48	5,419,495	2.19

10. Related Party Transactions

Compensation of key management

Key management includes the Company's directors and certain senior management. Key management compensation for the year ended December 31, 2012, six months ended December 31 and year ended June 30, comprised:

	Year ended December 31, 2012	Six months ended December 31, 2011	Year ended June 30, 2011
Salaries and benefits[1]	$ 1,512,676	$ 429,323	$ 705,810
Stock based compensation[1]	1,510,590	575,903	947,700

[1] Amounts are expensed or allocated to exploration and evaluation expenditures depending on the nature of the services provided. Salaries and benefits and stock based compensation for the year ended December 31, 2012 include $720,000 and $148,801, respectively in connection with severance on the termination of the former President and Chief Executive Officer.

Related party transactions

In addition to the related party transactions or balances disclosed in notes 4 and 5 to these consolidated financial statements, the Company had the following related party transactions.

The Company shares office space, equipment, personnel and various administrative services with other companies related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. During the year ended December 31, 2012 the Company was charged $1,291,608 (six months ended December 31, 2011 – $629,507 and year ended June 30, 2011 – $933,797) and charged out $3,326 (six months ended December 31, 2011 – $2,654 and year ended June 30, 2011 – $8,377) in connection with these arrangements. Included in these amounts is $110,959 (six months ended December 31, 2011 – $55,522 and year ended June 30, 2011 – $76,976) with respect to office space owned by a company controlled by a director of the Company. The Company also recorded income of $121,144 during the six months ended December 31, 2011 with respect to the termination of a lease by a previously related company. At December 31, 2012, accounts receivable includes a balance due from related companies of $49,921 (December 31, 2011 – $32,525) and there is an amount due to related companies of $8,559 (December 31, 2011 - $20,835) with respect to these arrangements. Amounts are due on demand, unsecured, and have no terms of repayment.

Other assets of $92,710 (December 31, 2011 - $111,341) relate to the Company's share of jointly owned assets held by the management company.

11. Financial Instruments and Capital Management

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

Category	Measurement		December 31, 2012		December 31, 2011
Cash and cash equivalents	Loans and receivables	$	1,136,193	$	13,885,594
Accounts receivable	Loans and receivables	$	310,891	$	304,457
Due from related party	Loans and receivables	$	1,427,000	$	1,396,000
Investment in marketable securities	Available for sale	$	180,923	$	319,567
Accounts payable and accrued liabilities	Other financial liabilities	$	2,111,008	$	3,029,097
Due to related parties	Other financial liabilities	$	8,559	$	20,835

The Company's financial instruments carried at fair value on the balance sheet comprise the investment in marketable securities, classified as Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. The carrying values of the other financial instruments in the table above approximate their fair values as a result of their short-term nature.

Financial Risk Management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure and attempts to manage the risk, where possible. These risks include market risk, liquidity risk and credit risk.

a) Market risk

Market risk represents the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in market prices. In particular:

Foreign exchange risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company incurs expenditures in Canadian and US dollars with the majority of the expenditures being incurred in US dollars exploring on its Hermosa property. The parent company has adopted a policy of converting the majority of its cash balances into US dollars, except to the extent Canadian dollars are required to fund corporate operations. As the functional currency of the parent company is Canadian dollars, foreign exchange risk arises because the amount of the US dollar cash and cash equivalents will vary in Canadian dollar terms due to changes in exchange rates. However, to the extent the US dollar balances will be used to fund future exploration expenditures on the Hermosa property the risk is negated and provides more certainty in terms of the funds available for that purpose.

At December 31, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars held by the parent company:

		December 31, 2012		December 31, 2011
Cash and cash equivalents	US$	281,688	US$	10,605,412
Accounts receivable		8,125		-
Due from related party		1,547,451		1,649,312
Accounts payable and accrued liabilities		(1,434,565)		(2,056,414)
	US$	402,699	US$	10,198,310

As at December 31, 2012, based on the above net exposures a 10% change in the Canadian-US dollar exchange rate would impact the Company's earnings by approximately $40,000 (December 31, 2011 – $1,020,000). As the Company reports in US dollars this amount would be offset by an approximately equivalent amount as part of other comprehensive income.

Price and Interest rate risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate and currency risk. The Company's investment in marketable securities, which is carried on the balance sheet at December 31, 2012 at $180,923 (December 31, 2011 – $319,567), is subject to price risk as the quoted price of the security fluctuates.

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

b) Liquidity risk

Liquidity risk represents the risk that the Company will be unable to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk by maintaining sufficient readily available cash in order to meet its liquidity requirements at any point in time (see discussion on going concern in note 1).

c) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises for the Company from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding accounts receivable and amounts due from a related party. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company manages its exposure to credit risk by holding its cash and cash equivalents through Canadian or US chartered banks, with short-term investments held in high-interest bank accounts and GIC's.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its Hermosa property and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

There are no externally imposed capital requirements on the Company. In the management of capital, the Company includes shareholders' equity. The Company's properties are at the exploration stage and as such the Company is dependent on external financing to fund all of its activities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, its expected funding requirements and the risk characteristics of its underlying assets. The Company's funding requirements are determined based on cash forecasts, which are approved by the Company's board of directors. To maintain or adjust the capital structure, the Company may issue shares, issue debt, acquire or dispose of assets and/or consider strategic alliances. In order to maximize ongoing exploration efforts, the Company does not pay cash dividends.

12. Commitments

The Company is committed to payments under operating leases for building and other commitments through 2018 in the total amount of approximately $805,700. Annual payments are:

2013	$	209,200
2014		173,500
2015		142,600
2016		97,200
2017 and thereafter		183,200

13. Segment Information

The Company operates in one industry segment, being mineral exploration and development. Geographic information is as follows:

		United States		Canada		Total
Long-term assets as at:						
December 31, 2012	$	58,501,148	$	1,703,596	$	60,204,744
December 31, 2011	$	47,616,826	$	1,833,082	$	49,449,908

14. Income Tax

The provision for income taxes reported differs from the amount computed by applying the cumulative Canadian Federal and Provincial income tax rates to the loss before the tax provision due to the following:

	Year ended December 31, 2012	Six months ended December 31, 2011	Year ended June 30, 2011
Statutory tax rate	25.00%	26.50%	27.51%
Expected income tax recovery	$ (1,094,228)	$ (314,284)	$ (696,672)
Difference in tax rates with foreign jurisdictions	(12,447)	(5,545)	(13,786)
Non-deductible expenses	357,100	176,639	262,990
Unrecognized tax losses	749,575	143,190	309,825
Other	-	-	334
Income tax recovery	$ -	$ -	$ (137,309)

At December 31, 2012, the Company had Canadian tax loss carry forwards of approximately CAD$7,358,000 (December 31, 2011 – CAD$4,538,000), US tax loss carry forwards of approximately $1,086,000 (December 31, 2011 – $947,000) and deductible temporary differences with respect to mineral properties and exploration and evaluation expenditures of approximately $3,468,169 (December 31, 2011 – $3,575,552) for which no deferred tax asset has been recognized. The tax loss carry forwards expire at various times between 2025 and 2032. The deductible temporary differences do not expire under current legislation.

15. Subsequent Event

On March 4, 2013 the Company announced that it had entered into a letter of intent with Riva Gold Corporation (“Riva”) providing for the acquisition by the Company of all of the outstanding common shares of Riva in consideration for one common share of Wildcat for each 4.7 Riva common shares. Riva will also provide the Company with a secured loan for C$1 million (see note 1).