TORCH RIVER RESOURCES LTD.

(An exploration stage company)

Condensed Interim Financial Statements

(Unaudited – presented in Canadian Dollars)

for the period ended January 31, 2012

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Torch River Resources Ltd. ("Torch" or the "Company") have been prepared by and are the responsibility of the Company's management.

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

TORCH RIVER RESOURCES LTD.

(An exploration stage company)

Condensed Interim Statements of Financial Position

(unaudited - in Canadian dollars)

ASSETS		**January 31, 2012**		**October 31, 2011**		**November 1, 2010**
Current						
Cash and equivalents	$	110,732	$	25,029	$	55,418
Short-term investments		10,000		10,000		-
Accounts receivable		50,996		88,487		17,439
Prepaid expenses		4,081		5,875		5,983
		175,809		129,391		78,840
Restricted cash (*Note 10*)		41,000		41,000		46,000
Equipment (*Note 3 (g) & 6*)		47,788		50,303		62,878
Mineral exploration and evaluation assets (*Note 3 (c) & 7*)		3,524,104		3,505,443		3,160,381
	$	3,788,701	$	3,726,137	$	3,348,099
LIABILITIES						
Current						
Accounts payable and accrued liabilities	$	177,472	$	205,131	$	102,066
Other liabilities		-		-		-
		177,472		205,131		102,066
SHAREHOLDERS' EQUITY						
Share capital *(Note 8)*		11,209,223		11,056,468		10,541,885
Contributed surplus		997,259		997,259		925,259
Deficit		(8,595,253)		(8,532,721)		(8,221,111)
		3,611,229		3,521,006		3,246,033
	$	3,788,701	$	3,726,137	$	3,348,099

Going concern *(Note 2)*, **Measurement uncertainty** *(Note 7)* and **Subsequent events** *(Note 14)*

See accompanying notes

On behalf of the Board of Directors

"William E. Pfaffenberger"

President, CEO

"Barry Pearson"

CFO

TORCH RIVER RESOURCES LTD.

(An exploration stage company)

Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited - in Canadian dollars)

	Three months ended January 31, 2012	Three months ended January 31, 2011
Administrative costs		
Amortization	$ 2,515	$ 3,144
Bank and loan interest	178	135
Filing fees	12,499	8,000
General meetings	1,013	1,269
Internet and website	713	905
Investor relations	4,069	5,516
Management fees	26,400	26,400
Office expense	8,023	2,766
Professional fees	5,411	4,600
Stock compensation (*Note 8*)	-	72,000
Telecommunications	132	-
Transfer agent	1,510	1,405
Travel and promotion	118	178
Operating costs for the quarter	62,581	126,318
Interest income	49	16
Net loss and comprehensive loss for the quarter	62,532	126,302
Loss per share - basic and diluted	$ 0.002	$ 0.004
Weighted average number of shares outstanding - basic and diluted	35,129,778	30,761,329

TORCH RIVER RESOURCES LTD.

(An exploration stage company)

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited - in Canadian dollars)

	Number of shares		Share Capital		Contributed Surplus		Deficit		Total
Balance at November 1, 2010	**30,136,329**		**10,541,885**		**925,259**		**(8,221,111)**		**3,246,033**
Private placement	625,000		100,000		-		-		100,000
Share issuance costs	-		(1,518)		-		-		(1,518)
Stock based compensation	-		-		72,000		-		72,000
Net loss and comprehensive loss for the period	-		-		-		(126,302)		(126,302)
									-
Balance, January 31, 2011	**30,761,329**	**$**	**10,640,367**	**$**	**997,259**	**$**	**(8,347,413)**	**$**	**3,290,213**
Balance at November 1, 2011	**34,994,993**		**11,056,468**		**997,259**		**(8,532,721)**		**3,521,006**
Private placement	3,100,000		155,000		-		-		155,000
Share issuance costs	-		(2,245)		-		-		(2,245)
Warrants exercised	-		-		-		-		-
Net loss and comprehensive loss for the period	-		-		-		(62,532)		(62,532)
Balance, January 31, 2012	**38,094,993**	**$**	**11,209,223**	**$**	**997,259**	**$**	**(8,595,253)**	**$**	**3,611,229**

TORCH RIVER RESOURCES LTD.

(An exploration stage company)

Condensed Interim Statements of Cash Flows

(Unaudited - in Canadian dollars)

	Three months ended January 31, 2012	Three months ended January 31, 2011
Cash flows from (used in) the Operating Activity		
Net and comprehensive loss for the period	$ (62,532)	$ (126,302)
Items not involving cash:		
Stock based compensation	-	72,000
Amortization	2,515	3,144
Impairment of mineral properties	-	-
	(60,017)	(51,158)
Changes in non-cash working capital items:		
Accounts receivable	37,491	(2,184)
Prepaid expenses	1,794	1,603
Accounts payable	(27,659)	(11,247)
Restricted cash	-	-
	(48,391)	(62,986)
Cash flow from (used in) financing activities		
Issuance of share capital	155,000	100,000
Share issuance cost	(2,245)	(1,517)
	152,755	98,483
Cash flows from (used in) investing activities		
Acquisition of mineral properties and rights	-	-
Acquisition of capital assets	-	-
Deferred exploration expenses	(18,661)	(14,879)
	(18,661)	(14,879)
Increase (decrease) in cash and cash equivalents	85,703	20,618
Cash and cash equivalents, beginning of period	35,029	55,418
Cash and equivalents, end of period	$ 120,732	$ 76,036
Cash and equivalents is comprised of:		
Cash	$ 110,732	$ 76,036
Short-term investments	10,000	-
	$ 120,732	$ 76,036
Supplemental cash flow disclosure:		
Shares issued for acquisition of property	-	-
Interest paid	178	135
Income tax paid	-	-

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Torch River Resources Ltd. incorporated provincially in Alberta, and extra provincial Saskatchewan Manitoba, and British Columbia has shares listed on the TSX Venture Exchange.

The Company is in the process of exploring its mineral properties and has not determined whether these properties contain ore reserves which are economically recoverable.

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

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

On November 25, 2011, the Company consolidated its 69,989,990 old common shares, exchanging 2 (old) common shares for 1 (new) common share resulting in 34,994,993 new common shares outstanding. All common shares and per share amounts have been adjusted to give retroactive effect to the 2:1 share consolidation that took effect on November 25, 2011 see *Note 8*.

2. BASIS OF PRESENTATION AND GOING CONCERN

A) Statement of compliance

These condensed interim statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). These are the Company's first International Reporting Standards ("IFRS") condensed interim financial statements and IFRS 1 *First Time Adoption of IFRS* has been applied as they are part of the period covered by the Company's first IFRS financial statements for the year ending October 31, 2012. The condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed interim financial statements were approved by the Board of Directors on April 14, 2012.

Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Canadian GAAP differs from IFRS in several areas and accordingly, the significant accounting policies applied in the preparation of these condensed interim financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption.

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

These condensed interim financial statements should be read in conjunction with the Company's 2011 annual financial statements. The explanation of how the transition to IFRS has affected the reported financial position, operations and comprehensive loss, and cash flows of the Company is provided in *Note 13*. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending October 31, 2012 could result in restatement of these condensed interim financial statements, including the adjustments recognized on transition to IFRS.

B) Going concern

These financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than normal course of business and at amounts which may differ from those shown in the financial statements.

The Company's ability to continue as a going concern is contingent on its ability to obtain additional equity financing. However, the current financial equity market conditions and the low price of the Company's common shares have caused the Company to balance the need for additional operating funds against the dilutive effect of issuing new common shares.

The amounts shown as mineral exploration and evaluation assets costs represent costs net of recoveries to date, less amounts written off, and do not represent present or future values. Recoverability of these amounts is dependent upon the discovery of economically recoverable mineral reserves, securing and 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 property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS statement of financial position at November 1, 2010 for the purposes of transition to IFRS.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Measurement basis

These condensed interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policy set out in *Note 11.* The Company's presentation currency is Canadian dollars.

b) Use of estimates

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates. Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, deferred income tax assets and liabilities, and assumptions used in valuing options and warrants in share-based compensation calculations. *See Notes 3(c), 5, and 7*.

c) Mineral exploration and evaluation assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when technical feasibility and commercial viability of a specific area are demonstrable and when recognition criteria of IAS 16, *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

All costs directly associated with property acquisition and exploration activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to the acquisition and exploration activities that can be associated with finding specific mineral resources, and do not include costs related to production, and administrative expenses and other general indirect costs.

Costs related to the acquisition of mining properties and exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is then recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount is greater of fair value less costs to sell and value in use of the asset. When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss.

The recoverable amount of exploration and evaluation assets depends on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The carrying amount of exploration and evaluation assets does not necessarily represent present or future values.

d) Impairment of non-financial assets

Property and equipment and mineral exploration and evaluation assets are regularly tested for recoverability, or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. In the case of mineral exploration and evaluation assets impairment reviews are carried out on a property by property basis. Impairment of a mineral property exploration interest is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or sale.

The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is determined using discounted estimated future cash flows of the relevant asset. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are cash-generating units. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Cash and equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash and subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis. The Company has designated cash as fair value though profit and loss. All gains are recognized in income in the period in which they arise.

f) Short-term investments

Short-term investments are classified as fair value through profit or loss and recorded at fair value with realized and unrealized gains recognized in income.

g) Property and equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the declining balance basis at the following annual rates:

Computer equipment	45%
Field equipment	20%
Furniture, fixtures and office equipment	30%

One half of the above rates are used in the year of acquisition.

h) Investments and comprehensive income

Investments other than derivatives are classified as available-for-sale, and are measured at fair value, where applicable, or at an estimate of fair value. The resulting unrealized gains, net of applicable deferred income taxes, or losses, are included in other comprehensive income while realized gains, net of income taxes, or losses are included in the consolidated statement of operations. Unrealized gains and losses are recognized directly in other comprehensive income, except for other than temporary impairment losses, which are recognized in net earnings. Investments are reviewed on a regular basis to determine whether there has been a decline in value that is other than temporary. For the purpose of measuring any decline in value, the Company takes into account many factors related to each investment as well as all the factors that encompass, without being inclusive, a significant or prolonged decline in fair value, important financial distress of the issuer, a breach of contract, increasing risk of issuer's bankruptcy, and disappearance of an active market for the financial asset concerned. If it is determined that the security is not impaired, an other-than-temporary impairment shall be considered to have occurred. If the decline in fair value is judged to be other than temporary, the cost basis of the individual security will be written down to fair value as a new cost basis and the amount of the write-down shall be included in earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Government assistance and tax credits

Any federal or provincial tax credits received by the Company, with respect to exploration or evaluation work conducted on any of its properties, are credited as a reduction to the carrying costs of the property to which credits related. Until such time that there is significant certainty with regard to collections and assessments, the Company will record any recovered tax credits at the time of receipt. No gain or loss is realized during the exploration stage until all carrying costs of the specific interest have been offset.

j) Income taxes

Income taxes are accounted for using the asset and liability method of tax allocation. Deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized.

k) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

l) Share capital

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted price on the TSX-V on the date the shares are issued unless the fair value of goods and services is readily determinable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Share-based payments

The Company has a stock option plan that is described in *Note 8.*

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions are modified before they vest, the increase in the fair value of the options, measured immediately before and after modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is determined by the Black-Scholes Option Pricing Model with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options. The fair value of direct awards of stocks is determined by the quoted market price of the Company's stock.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Basic and diluted loss per share

Basic earnings per share are computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to Common Shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

o) Share capital – flow through shares

The Company finances a portion of its exploration activities through the issue of flow-through shares.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The Company renounces the qualifying expenditures upon issuance of the respective flow-through common shares and accordingly is not entitled to the related taxable income deductions for such expenditures.

The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, the deduction of which flow through to the shareholders.

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium ("other liability"), and is reversed into the statement of loss as a deferred tax recovery when the eligible expenditures are incurred. If the flow-through shares are not issued at a premium, a liability is not recorded.

p) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2010 or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

a) New accounting standards effective January 1, 2013

IFRS 9 *Financial Instruments*
IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit and loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit and loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would be generally recorded in other comprehensive income.

IFRS 13 *Fair Value Measurement*
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effects of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

Mineral exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of an expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests
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. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may differ materially from the amount included in the tax liabilities.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recovered.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in *Note 8*.

6. PROPERTY AND EQUIPMENT

As at January 31, 2012 property and equipment consisted of the following:

January 31, 2012			
	Cost	Accumulated depreciation	Net Book Value
Field equipment	145,994	98,206	47,788
	$145,994	98,206	47,788

As at October 31, 2011 property and equipment consisted of the following:

October 31, 2011			
	Cost	Accumulated depreciation	Net Book Value
Field equipment	145,994	95,691	50,303
	$145,994	95,691	50,303

As at November 1, 2010 property and equipment consisted of the following:

November 1, 2010			
	Cost	Accumulated depreciation	Net Book Value
Field equipment	145,994	83,116	62,878
	$145,994	83,116	62,878

7. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has acquired certain mineral properties and rights, the costs of which are as follows:

January 31, 2012			
Property	Property Acquisition Costs	Deferred Exploration Costs	Total
High Rock and Climpy	$ 15,000	554,473	$ 569,473
Red Bird	747,500	814,215	1,561,715
Grouse Mountain	-	-	-
Mount Copeland	331,779	656,396	988,175
Fort Elden	138,087	266,654	404,741
	$ 1,232,366	$ 2,291,738	$ 3,524,104

October 31, 2011			
Property	Property Acquisition Costs	Deferred Exploration Costs	Total
High Rock and Climpy	$ 15,000	554,357	$ 569,357
Red Bird	747,500	814,215	1,561,715
Grouse Mountain	-	-	-
Mount Copeland	331,706	655,046	986,752
Fort Elden	131,615	256,004	387,619
	$ 1,225,821	$ 2,279,622	$ 3,505,443

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

	November 1, 2010		
Property	Property Acquisition Costs	Deferred Exploration Costs	Total
High Rock and Climpy	$ 15,000	552,761	$ 567,761
Red Bird	747,500	814,215	1,561,715
Grouse Mountain	33,435	27,128	60,563
Mount Copeland	329,978	608,471	938,449
Fort Elden	11,120	20,773	31,893
	$ 1,137,033	$ 2,023,348	$ 3,160,381

A. High Rock and Climpy

The High Rock property and the Climpy property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,544 hectares. The High Rock property consists of 9 mining claims covering 1,301 hectares and the Climpy property consists of one claim covering 243 hectares. Torch holds a 100% interest in all of the claims.

These claims do not include surface rights, but the use of such surface areas as may be required to carry out a mining operation can be obtained according to regulation. The claims have not been surveyed.

B. Red Bird

On July 8, 2005 the Company entered into an agreement with Red Bird Resources Ltd. ("Red Bird") whereby the Company will have an option to acquire a 100% interest in a molybdenum/copper property consisting of 1,952.7 hectares located in the Skeena Mining Division of the Central Coastal region of British Columbia.

The option is subject to a 2.5% net smelter return ("NSR") royalty which shall be retained by the Optionor on the Property.

At May 31, 2008 the Company earned a 25% undivided interest in the property. Red Bird retains the sole right to negotiate future deals with third parties on 100% of the Red Bird Property.

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

C. Grouse Mountain

In July of 2007 the Company entered into an agreement with William Pfaffenberger to purchase six mineral (silver) claims covering a total of 1,574.5054 hectares at Grouse Mountain, British Columbia for a total of $33,060 in cash.

The Grouse Mountain claims lapsed shortly after October 31, 2011 therefore management has determined that the property was impaired. Accordingly, the mineral exploration and evaluation assets were written off.

D. Mount Copeland

On February 12, 2008, the Company entered into an agreement whereby the Company will have the option to acquire a 100% interest in a molybdenum/copper property consisting of two mineral claims covering a total of 730.112 hectares located in British Columbia.

The option is subject to a 2.75% net smelter royalty ("NSR") which shall be retained by the Optionor on the property.

In 2010 the Company acquired a 100% interest in the Mount Copeland property. Subsequent to the initial Mount Copeland option agreement the Company has increased the Mount Copeland property claims from two to eight. These eight claims now cover a total of 1,886.296 hectares.

E. Fort Elden

In April, 2010, the Company announced that it had signed an option agreement (the "Omineca Option Agreement") with a private vendor under which Torch may earn a 100% interest in the 12 mineral claims comprising 1,611.5 hectares located in the Omineca Mining Division, Specularite Lake, B.C.

Under the terms of the agreement, the Company shall earn up to a 100% interest in the Omineca Property by a one-time payment to the vendor in the amount of $10,000 (paid), spending up to $250,000 (expended) on work programs over a period of forty-two (42) months and issuing up to an aggregate of two million shares (issued) to the vendor over the same time period. As October 31, 2011 the Company has fulfilled its obligations under this agreement and earned a 100% interest in these mineral claims.

Subsequent to the initial Omineca option agreement the Company has increased the Fort Elden property claims from twelve to fourteen. These fourteen claims now cover a total of 1,873.631 hectares.

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Measurement Uncertainty

The Company has not experienced any property specific adverse impact during the quarter on its operations, but general mining market conditions have deteriorated, resulting in a decrease in the price of the Company's common shares, which in turn has created difficulty in raising sufficient equity capital to effectively explore or develop the Company's mineral property interests.

One or more of the issues described, or other factors beyond management's control, could in future periods adversely affect the Company's operations and could result in future potential or total write downs of the Company's recorded mineral exploration and evaluation assets of $3,524,104 as at January 31, 2012. Such write-down amounts could be material.

8. SHARE CAPITAL

(a) Authorized:

The authorized share capital of the Company is:

An unlimited number of voting common shares without par value.
An unlimited number of non-voting first preferred shares.
An unlimited number of non-voting second preferred shares.

(b) Issued and outstanding:

See the Statement of Changes in Shareholders' Equity.

(c) Share Consolidation

On November 25, 2011, the Company consolidated its 69,989,990 old common shares, exchanging 2 (old) common shares for 1 (new) common share resulting in 34,994,993 new common shares outstanding. All common shares and per share amounts have been adjusted to give retroactive effect to the 2:1 share consolidation that took effect on November 25, 2011.

(d) Private placements

On January 27, 2012 the Company closed a private placement of 3,100,000 units at a price of $0.05 per unit for gross proceeds of $155,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one Common share of the Company at an exercise price of $0.10 for a period of twenty-four months from the closing of the offering.

8. SHARE CAPITAL (continued)

(e) Stock options

The Company has established a stock based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. Exercise price of options equals at least the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a two or five-year term in accordance with TSX Venture Exchange policy.

A summary of the status of the Company incentive stock option plan as at January 31, 2012 is as follows:

	Number of options	Weighted Average Exercise Price
Balance, November 1, 2010	2,600,000	$0.39
Granted	400,000	$0.20
Expired	(135,000)	$0.31
Exercised	-	-
Balance, October 31, 2011	2,865,000	$0.36
Granted	-	-
Expired	(50,000)	$0.28
Exercised	-	-
Balance January 31, 2012	**2,815,000**	**$0.38**

Options Granted

A summary of options granted as at January 31, 2012 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
250,000	0.32	March 7, 2012
500,000	0.76	May 15, 2012
335,000	0.64	June 6, 2012
160,000	0.36	February 17, 2013
115,000	0.32	May 29, 2013
140,000	0.24	July 29, 2013
915,000	0.20	August 5, 2015
400,000	0.20	January 3, 2016
2,815,000		

8. SHARE CAPITAL (continued)

(f) Share purchase warrants

A summary of outstanding warrants as at January 31, 2012 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 1, 2010	2,050,000	$0.20
Granted	2,677,500	$0.20
Expired	-	-
Exercised	-	-
Balance, October 31, 2011	4,727,500	$0.20
Granted	3,100,000	$0.10
Expired	-	-
Exercised	-	-
Balance January 31, 2012	**7,827,500**	**$0.17**

A summary of warrants granted as at January 31, 2012 is as follows:

Number of Warrants	Exercise Price	Expiry Date
1,050,000	$.20	May 6, 2012
312,500	$.24	November 19, 2012
515,000	$.20	February 3, 2013
1,850,000	$.20	May 26, 2013
1,000,000	$.20	March 31, 2015
3,100,000	$.10	January 27, 2014
7,827,500		

9. RELATED PARTY TRANSACTIONS

Key management personnel include the board of directors, chief executive officer, chief financial officer and chief operating officer. Key management personnel compensation comprised:

Key management compensation

	Three months ended January 31, 2012	2011
Retainers, wages and benefits	$ 26,400	$ 26,400

9. RELATED PARTY TRANSACTIONS (continued)

During the period the Company incurred charges from directors or companies sharing common directors as follows:

	Three months ended January 31,	
Services and reimbursement of expenses	**2012**	**2011**
Original Approach Inc. (a)	17,400	17,400
Salaries and benefits (b)	9,000	9,000
Reimbursement of expenses	1,013	204

(a) Key management personnel compensation. Original Approach Inc. is a private company controlled by the Chief Financial Officer.
(b) Key management personnel compensation.

These transactions occurred during the normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

10. RESTRICTED CASH

Term deposits of $41,000 has been pledged as security to the Scotia Bank for their irrevocable letter of credit in favor of the Province of British Columbia, Ministry of Energy and Mines.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the condensed interim statement of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As at January 31, 2012, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for October 31, 2011 are shown in the table below:

	January 31, 2012		October 31, 2011	
Classification	**Fair value**	**Carrying value**	**Fair value**	**Carrying value**
Financial assets				
Cash and equivalents	110,732	110,732	25,029	25,029
Short-term investments	10,000	10,000	10,000	10,000
Accounts receivable *(1)*	360	360	328	328
Financial liabilities				
Accounts payable and accrued liabilities	177,472	177,472	205,131	205,131
Other liabilities	-	-	-	-

(1) Excluding taxes receivable

The fair values of the Company's financial instruments measured at January 31, 2012, constitute Level 1 measurements for its cash and equivalents and short-term investment within the fair value hierarchy.

The Company recognized interest income during the three months ended January 31, 2012, totaling $49 which represents interest income from the Company's held-for-trading investments. This balance represents interest income from all sources.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk as at January 31, 2012 date under its financial instruments is summarized as follows:

	January 31, 2012	**October 31, 2011**
Accounts and other receivables -		
Currently due	360	328
Past due by 90 days or less, not impaired	-	-
Past due by greater than 90 days, not impaired	-	-
	360	328
Cash and equivalents	120,732	35,029
	121,092	35,357

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

All of the Company's cash and cash equivalents are held with major financial institutions in Canada, and management believes the exposure to credit risk with such institutions is not significant. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash and term deposits are held. As at January 31, 2012, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at January 31, 2012, is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in *Note 12*, in normal circumstances. Due to the lack of liquidity, management has increased its focus on liquidity risk given the impact of the current economic climate on the availability of finance. Further information regarding liquidity risk is set out in *Note 2*.

The Company's financial liabilities are comprised of its accounts payable and accrued liabilities and amounts due to related parties, the contractual maturities of which at January 31, 2012, are summarized as follows:

	January 31, 2012	October 31, 2011
Accounts payable and accrued liabilities with contractual maturities -		
Within 90 days or less	177,472	205,131
In later than 90 days, not later than one year	-	-
Due to related parties with contractual maturities -		
Within 90 days or less	824	18,436
In later than 90 days, not later than a year	-	-

Market risk

The significant market risks to which the Company is exposed include commodity price risk, interest rate risk and foreign exchange risk.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

- Commodity price risk
  The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of uranium and the outlook for this metal, as the Company's ability to raise capital is affected by the commodity prices that the Company is exploring for on its mineral property interests. The Company does not have any hedging or other derivative contracts respecting its operations.

- Interest rate risk
  The Company has no significant exposure at January 31, 2012, to interest rate risk through its financial instruments.

- Currency risk
  The Company has no significant exposure at January 31, 2012 to currency risk as all cash and cash equivalents are held in Canadian funds.

12. MANAGEMENT OF CAPITAL

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern in order to pursue the development of its mineral property interests.

The Company considers the items included in shareholders' equity to be capital. The Company relies on equity financing in order to fund future exploration and development and makes adjustments to the Company's capital structure based on financing needs, as well as in response to economic conditions and the risk characteristics of the underlying assets. Management makes adjustments to its capital structure through share issuances and the acquisition or disposition of assets.

As the Company is in the exploration stage it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital though the preparation of annual expenditure budgets and cash forecasts that are updated as necessary. The Company does not have any externally imposed capital requirements

12. MANAGEMENT OF CAPITAL (continued)

The Company's managed capital is as follows:

	January 31, 2012	October 31, 2011
Share capital	11,209,223	11,056,468
Contributed surplus	997,259	997,259
Deficit	(8,595,253)	(8,532,721)
	3,611,229	3,521,006

13. FIRST TIME ADOPTION OF IFRS

Overview

As stated in *Note 2*, these are the Company's first financial statements prepared in accordance with IFRS. The accounting policies set out in *Note 3* have been applied in preparing the financial statements for the period ended January 31, 2012, the comparative information presented in these financial statements for the year ended October 31, 2011 and in the preparation of an opening IFRS statement of financial position at November 1, 2010.

The accounting policies described in *Note 3* have been selected to be consistent with IFRS as is expected to be effective on October 31, 2012, the Company's first annual IFRS reporting date.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-Time Adoption of International Reporting Standards*, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective application. The Company has applied the following exemptions to its opening consolidated IFRS statement of financial position dated November 1, 2010:

(i) Business combinations
The Company has elected under IFRS 1 to not apply IFRS 3 *Business Combinations* retrospectively to any business combinations that may have occurred prior to November 1, 2010.

(ii) Share-based payments
The Company has elected under IFRS 1 to apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested before November 1, 2010.

13. FIRST TIME ADOPTION OF IFRS (continued)

Estimates
IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition date are consistent with estimates made at the same date under Canadian GAAP.

Reconciliations between Canadian GAAP and IFRS
An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes accompanying the tables.

The November 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Assets	Note	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Mineral properties and rights	*(a)*	1,137,033	-	(1,137,033)	-
Deferred exploration costs	*(a)*	2,023,348	-	(2,023,348)	-
Mineral exploration and evaluation assets	*(a)*	-	-	3,160,381	3,160,381
All other assets		187,718	-	-	187,718
Total Assets		3,348,099	-	-	3,348,099
Liabilities					
Other liabilities		-	-	-	-
All other liabilities		102,066	-	-	102,066
Total Liabilities		102,066	-	-	102,066
Shareholders' Equity					
Share capital	*(b)*	10,458,308	83,577	-	10,541,885
Deficit	*(b)*	(8,137,534)	(83,577)	-	(8,221,111)
Contributed surplus		925,259	-	-	925,259
Total Shareholders' Equity		3,246,033	-	-	3,246,033
Total Liabilities and Shareholders' Equity		3,348,099	-	-	3,348,099

13. FIRST TIME ADOPTION OF IFRS (continued)

The January 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Assets	Note	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Mineral properties and rights	*(a)*	1,137,033	-	(1,137,033)	-
Deferred exploration costs	*(a)*	2,038,227	-	(2,038,227)	-
Mineral exploration and evaluation assets	*(a)*	-	-	3,175,260	3,175,260
All other assets		205,773	-	-	205,773
Total Assets		3,381,033	-	-	3,381,033
Liabilities					
Other liabilities		-	-	-	-
All other liabilities		90,821	-	-	90,821
Total Liabilities		90,821	-	-	90,821
Shareholders' Equity					
Share capital	*(b)*	10,556,790	83,577	-	10,640,367
Deficit	*(b)*	(8,263,837)	(83,577)	-	(8,347,414)
Contributed surplus		997,259	-	-	997,259
Total Shareholders' Equity		3,290,212	-	-	3,290,212
Total Liabilities and Shareholders' Equity		3,381,033	-	-	3,381,033

13. FIRST TIME ADOPTION OF IFRS (continued)

The October 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Assets	Note	Canadian GAAP	IFRS Adjustments	IFRS Reclassifications	IFRS
Mineral properties and rights	*(a)*	1,225,821	-	(1,225,821)	-
Deferred exploration costs	*(a)*	2,279,622	-	(2,279,622)	-
Mineral exploration and evaluation assets	*(a)*	-	-	3,505,443	3,505,443
All other assets		220,694	-	-	220,694
Total Assets		3,726,137	-	-	3,726,137
Liabilities					
Other liabilities		-	-	-	-
All other liabilities		205,131	-	-	205,131
Total Liabilities		205,131	-	-	205,131
Shareholders' Equity					
Share capital	*(b)*	10,972,891	83,577	-	11,056,468
Deficit	*(b)*	(8,449,144)	(83,577)	-	(8,532,721)
Contributed surplus		997,259	-	-	997,259
Total Shareholders' Equity		3,521,006	-	-	3,521,006
Total Liabilities and Shareholders' Equity		3,726,137	-	-	3,726,137

The October 31, 2011 Canadian GAAP statement of operations and comprehensive loss has been reconciled to IFRS as follows:

	Note	January 31, 2011	Year ended October 31, 2011
Comprehensive loss under previous Canadian GAAP		126,302	311,610
Effect of deferred income tax recovery with respect to flow-through share renouncement	*(b)*	-	-
Comprehensive loss under IFRS		126,302	311,610

13. FIRST TIME ADOPTION OF IFRS (continued)

Notes to the reconciliation

(a) IFRS reclassification

In order to be more consistent with the terminology used in IFRS 6 the Company has grouped the deferred exploration costs and the mineral properties and rights assets under the heading mineral exploration and evaluation assets.

(b) Flow-through shares

Under Canadian GAAP the issuance of flow-through shares are initially recorded in share capital at their issue price less the deferred tax liability related to the renounced expenditures. Under IFRS, flow-through shares are recognized based on the quoted price of existing shares on the closing date. The difference ("premium") between the quoted price of Company's shares and the amount paid by investors for the flow-through shares is recognized as a flow-through share related liabilities. The liability is reversed into the statement of operations and comprehensive loss when the eligible expenditures are incurred. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense. There is no subsequent reduction to share capital under these new standards.

Where flow-through shares were issued but expenditures were not incurred by the end of the reporting period, a liability is shown in "other liabilities". On the date of transition the change in accounting for flow-through shares resulted in a liability of $Nil (January 31, 2012 - $Nil, October 31, 2011 - $Nil).

Cash Flow
The adoption of IFRS has had no impact on the net cash flows of the Company. As there have been no changes made to the net cash flows, no reconciliations have been presented.

14. SUBSEQUENT EVENTS

On February 7, 2012, the Company announced that Don MacIntyre Ph.D., P.Eng. has joined the Corporation's Board of Directors. Dr. MacIntyre has been a registered Professional Engineer with the B.C. Association of Professional Engineers and Geoscientists since 1979. He was with the Geological Survey Branch of the B.C. Ministry of Energy and Mines as a project geologist. Over a 25 year career with GSB, Dr. MacIntyre was responsible for a number of geological mapping and mineral deposit projects mostly in northern British Columbia. Areas included the Gataga SEDEX district of the Northern Rockies, the Tatshenshini district of the St. Elias Range and the Tahtsa Lake, Smithers and Babine Lake districts of Central B.C. These projects focused on defining the geologic setting and genetic controls associated with a diverse range of mineral deposit types including porphyry Cu-Mo, SEDEX, VMS, polymetallic veins and epithermal Au-Ag.

14. SUBSEQUENT EVENTS (continued)

On February 8, 2012, the Company granted an aggregate of 985,000 stock options to purchase common shares pursuant to its stock option plan to a total of six officers, directors and contractors of Torch effective February 7, 2012. All of the stock options vest immediately and were granted at an exercise price of $0.10 per common share. Of the 985,000 stock options granted, an aggregate of 785,000 stock options were granted to the four directors (including one director who is also an officer) and 180,000 stock options were granted to one officer of Torch who is not a director. The stock options expire on February 7, 2017.

On March 26, 2012, the Company announced that it had entered into a Letter of Intent to purchase 100% of the Driftwood Magnesite Property (the "Property") located in central British Columbia. The option covers three years with cash payments totaling $60,000, 3 million shares of TCR, a work commitment of $450,000 and a Royalty to the three owners totaling $3.00 per tonne produced.

On March 27, 2012, the Company announced a private placement of up to 1,000,000 units at a price of $0.06 per unit for gross proceeds of $60,000. Each unit will consist of one flow through common share in the capital of the Corporation issued.