CASTLE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS PERIOD ENDED MARCH 31, 2013 AND 2012

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of 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 condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CASTLE RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian dollars
As at

	March 31, 2013 $	September 30, 2012 $
ASSETS		
Current		
Cash and cash equivalents	1,033,499	856,485
Amounts receivable (Notes 5 and 8)	2,523,673	4,631,713
Prepaid expenses	138,301	200,335
Total current assets	3,695,473	5,688,533
Long-term		
Prepaid expenses	202,402	317,929
Investment (Note 8)	324,000	2,340,000
Equipment (Note 6)	24,172	14,370
Exploration and evaluation assets (Note 7)	42,494,066	40,029,762
Total assets	46,740,113	48,390,594
LIABILITIES		
Current		
Accounts payable and accrued liabilities	603,202	6,300,469
Other liabilities (Note 10)	133,765	-
Total current liabilities	736,967	6,300,469
Long-term		
Loan payable (Note 9)	2,478,538	2,342,492
Deferred tax liability	1,916,000	1,916,000
Total liabilities	5,131,505	10,558,961
SHAREHOLDERS’ EQUITY		
Capital stock (Note 11)	51,477,203	45,254,084
Contributed surplus (Note 13)	3,707,984	3,751,436
Warrants reserve (Note 12)	847,062	3,183,678
Deficit	(14,423,641)	(14,357,565)
Total shareholders’ equity	41,608,608	37,831,633
Total liabilities and shareholders’ equity	46,740,113	48,390,594

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Notes 18)
COMMITMENTS AND CONTINGENCIES (Note 17)

APPROVED ON BEHALF OF THE BOARD:

Signed "STEPHEN SHEFSKY", Director
Signed "MIKE SYLVESTRE", Director

CASTLE RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars

	Three months ended March 31,		Six months ended March 31,	
	2013	2012	2013	2012
	$	$	$	$
Expenses				
Consulting and management fees	292,117	164,217	452,799	227,458
Transfer agent and listing fees	23,931	23,391	27,337	27,344
Professional fees	114,322	74,971	151,447	114,210
Office and general	88,801	97,444	193,812	168,567
Interest and financing fees (Note 9)	103,099	68,488	188,585	142,973
Exploration costs	2,655	17,624	2,655	17,624
Depreciation	1,915	1,138	3,176	2,276
	626,840	447,273	1,019,811	700,452
Loss before the undernoted	(626,840)	(447,273)	(1,019,811)	(700,452)
Interest income	13,651	179	15,852	10,785
Unrealized loss on investment (Note 8)	(936,000)	-	(2,016,000)	-
Write-down of exploration and evaluation assets	-	-	-	(606,461)
Net loss before income taxes	(1,549,189)	(447,094)	(3,019,959)	(1,296,128)
Provision for income taxes				
Flow-through share premium (Note 10)	98,323	54,251	196,453	761,904
Net loss and comprehensive loss for the period	(1,450,866)	(392,843)	(2,823,506)	(534,224)
Loss per share				
Basic and diluted	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average common shares outstanding				
Basic and diluted	181,660,565	120,238,132	174,575,028	117,015,058

CASTLE RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars

	Three months ended March 31, 2013 $	Three months ended March 31, 2012 $	Six months ended March 31, 2013 $	Six months ended March 31, 2012 $
CASH (USED IN) PROVIDED BY:				
OPERATING ACTIVITIES				
Net loss for the period	(1,450,866)	(392,843)	(2,823,506)	(534.224)
Charges not affecting cash:				
Depreciation	1,915	1,138	3,176	2,276
Unrealized loss on investment	936,000	-	2,016,000	-
Flow-through share premium	(98,323)	(54,251)	(196,453)	(761,904)
Write-down of exploration and evaluation assets	-	-	-	606,461
Interest and financing fees	68,023	68,023	136,046	136,046
Net change in non-cash working capital	(1,276,147)	(1,007,656)	(3,527,191)	(2,666,749)
	(1,819,398)	(1,385,589)	(4,391,928)	(3,218,094)
INVESTING ACTIVITIES				
Exploration and evaluation assets	(1,173,714)	(1,557,426)	(2,323,777)	(6,600,836)
Acquisition of equipment	(4,430)	-	(12,978)	-
	(1,178,144)	(1,557,426)	(2,336,755)	(6,600,836)
FINANCING ACTIVITIES				
Common shares issued through private placements	1,899,907	10,000,115	7,379,577	16,000,109
Stock option exercised	-	187,500	-	187,500
Warrants exercised	-	1,604,025	-	1,613,025
Share issue costs	(141,418)	(780,110)	(473,880)	(1,134,525)
	1,758,489	11,011,530	6,905,697	16,666,109
CHANGE IN CASH AND CASH EQUIVALENTS:	(1,239,053)	8,068,515	177,014	6,847,179
Cash and cash equivalents, beginning of period	2,272,552	1,626,842	856,485	2,848,178
Cash and cash equivalents, end of period	1,033,499	9,695,357	1,033,499	9,695,357

CASTLE RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian dollars

	Common shares $	**Contributed surplus $**	**Warrants Reserve $**	**Accumulated Deficit $**	**Total Equity $**
Balance, September 30, 2012	45,254,084	3,751,436	3,183,678	(14,357,565)	37,831,633
Private placements	6,528,337	-	377,362	-	6,905,699
Flow-through share premium	(330,218)	-	-	-	(330,218)
Share issued as advance royalty	25,000	-	-	-	25,000
Stock options expired	-	(43,452)	-	43,452	-
Warrant expired	-	-	(2,713,978)	2,713,978	-
Loss for the period	-	-	-	(2,823,506)	(2,823,506)
Balance, March 31, 2013	51,477,203	3,707,984	847,062	(14,423,641)	41,608,608

	Common shares $	Contributed surplus $	Warrants Reserve $	Accumulated Deficit $	Total Equity $
Balance, October 1, 2011	28,313,984	3,942,886	3,748,425	(10,741,933)	25,263,362
Private placement	13,849,980	-	253,700	-	14,103,680
Warrants exercised	1,975,932	-	(362,909)	-	1,613,023
Stock option exercised	345,625	(158,125)	-	-	187,500
Stock option expired	-	(6,325)	-	6,325	-
Flow-through share premium	(603,338)	-	-	-	(603,338)
Share issued as advance royalty	25,000	-	-	-	25,000
Warrants expired	-	-	(6,240)	6,240	-
Loss for the period	-	-	-	(534,224)	(534,224)
Balance, March 31, 2012	43,907,183	3,778,436	3,632,976	(11,263,592)	40,055,003

1. NATURE OF OPERATIONS AND GOING CONCERN

Castle Resources Inc. (the "Company") was incorporated in Ontario, Canada on May 1, 2006. The Company's principal assets are Exploration and Evaluation Assets ("E&E"), made up of acquisition costs and deferred exploration expenditures for mining properties which are not in commercial production. The Company is in the process of exploring its mining claims and has not yet determined whether or not the properties contain economically recoverable reserves.

The Company's shares are listed on the TSX Venture Exchange. The head office, principal address and records office of the Company are located at 20 Victoria Street, Suite 800, Toronto, Ontario, Canada, M5C 2N8.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to complete additional financings, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require a material write-down of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

The Company needs equity capital and financing for its working capital and for the costs of exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations, however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments 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 and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on May 14, 2013.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and required as of December 31, 2012. As these condensed interim consolidated financial statements represent the Company's initial presentation of its results and financial position under IFRS, they were prepared in accordance with International Account Standard ("IAS") 1, Presentation of Financial Statements and by IFRS 1, First-time Adoption of IFRS. These condensed interim consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out below were consistently applied to all periods presented unless otherwise noted.

2. BASIS OF PREPARATION (continued)

The Company's condensed interim consolidated financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Canadian GAAP differs in some areas from IFRS.

The preparation of condensed interim consolidated financial statements in accordance with IAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Certain new accounting standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after October 1, 2012. Updates not applicable or not consequential to the Company have been excluded thereof.

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9")
IFRS 9 was issued in November 2009. This standard is the first step in the process to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities, which may affect the Company's accounting for its financial assets. The standard is not applicable until October 1, 2015 but is available for early adoption. The Company has yet to assess the full impact of IFRS 9.

IAS 1 Presentation of Other Comprehensive Income ("IAS 1")
In June 2011, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" requiring companies to group items presented within Other Comprehensive Income based on whether they may be subsequently reclassified to profit or loss. This amendment to IAS 1 is effective for annual periods beginning on or after July 1, 2012 with full retrospective application. Early adoption is permitted. The Company is assessing the full impact of IAS 1.

IFRS 10 Consolidated Financial Statements ("IFRS 10")
IFRS 10 replaces the consolidation guidance in IAS 27, *and Separate Financial Statements*, and SIC-12, *Consolidation — Special Purpose Entities*, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning Oct 1, 2013. The Company is assessing the full impact of IFRS 10.

IFRS 11 Joint Arrangements ("IFRS 11")
IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the operation's assets, liabilities, revenue and expenses. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 is effective for annual periods beginning on or after January 1, 2013 and supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Ventures. The Company is assessing the full impact of IFRS 11.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint agreements, associates, special purpose vehicles and other off-balance sheet vehicles. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. The Company intends to adopt IFRS 12 in its financial statements for the annual period beginning on August 1, 2013. The Company has yet to assess the full impact of IFRS 12.

3. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

IFRS 13 Fair Value Measurement ("IFRS 13")
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 disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the full impact of IFRS 13.

IAS 32 Financial Instruments – Presentation ("IAS 32")
IAS 32 was amended to clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014 with retrospective application required. Earlier application is permitted. The Company has yet to assess the full impact of the amendments to IAS 32.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Such estimates and assumptions affect the carrying value of assets, the determination of impairment charges of non-current assets, impact decisions as to when exploration and evaluation costs should be capitalized or expensed, and affect estimates for decommissioning obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of share-based compensation, warrants, investments and income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred and capitalized during the period have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, operating management expertise and existing permits. See Note 8 for details of capitalized exploration and evaluation costs.

- Mineral reserve estimates

Mineral reserve and mineral resource estimates are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as commodity prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environments in which the Company operates. Such changes are not within the Company's control and could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include, but are not limited to, estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Estimation of decommissioning and restoration costs and timing of expenditure

The decommissioning and restoration cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Determination of economic viability of a project

Management has determined that costs associated with its exploration and evaluation assets have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of reported recovered quantities to proven and probable reserves, operating management expertise, existing permits and projected life of projects.

- Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- Asset lives, depletion/depreciation rates for property and equipment

Depreciation and depletion expenses are allocated based on assumed asset lives and depletion/depreciation rates. Should the asset life or depletion/depreciation rate differ from the initial estimate, an adjustment would be made in the statement of operations and comprehensive loss.

- Contingencies

Refer to Notes 1 and 17.

5. AMOUNTS RECEIVABLE

	March 31, 2013	September 30, 2012
GST/HST recoverable	$ 83,267	$ 263,363
Refundable exploration tax credits	1,864,429	3,669,424
Receivable on sale of Elmtree Property (Note 8)	512,500	500,000
Other receivable	63,477	198,926
Balance at end of period	$ 2,523,673	$ 4,631,713

6. EQUIPMENT

(a) Cost

	Office furniture and equipment $	Computer equipment $	Computer software $	Total $
Cost, September 30, 2012	17,002	15,118	8,227	40,347
Additions	8,548	-	4,430	12,978
Cost, March 31, 2013	25,550	15,118	12,657	53,325

(b) Accumulated depreciation

	Office furniture and equipment $	Computer equipment $	Computer software $	Total $
Balance September 30, 2012	7,199	10,551	8,227	25,977
Depreciation	1,551	1,256	369	3,176
Balance March 31, 2013	8,750	11,807	8,596	29,153

(c) Net book value

	Office furniture and equipment $	Computer equipment $	Computer software $	Total $
Balance, September 30, 2012	9,803	4,567	-	14,370
Balance, March 31, 2013	16,800	3,311	4,061	24,172

Expressed in Canadian dollars

7. EXPLORATION AND EVALUATION ASSETS

Granduc Claims, British Columbia, Canada	
Balance at September 30, 2011	$ 20,925,829
Acquisition costs	50,000
Capitalized costs	20,446,959
Less: refundable exploration tax credits	(1,393,026)
Balance at September 30, 2012	$ 40,029,762
Acquisition costs	50,000
Capitalized costs	2,414,304
Balance at March 31, 2013	$ 42,494,066
The Elmtree Gold Project, New Brunswick, Canada	
Balance at September 30, 2011	$ 2,462,160
Acquisition costs	-
Capitalized costs	54,668
Sale of property (Note 8)	(2,516,828)
Balance at September 30, 2012 and March 31, 2013	$ -
Total exploration and evaluation assets, March 31, 2013	**$ 42,494,066**

7. EXPLORATION AND EVALUATION ASSETS (continued)

The Granduc Project, British Columbia, Canada

On October 15, 2010, the Company acquired a 100% interest in the Granduc Claims ("the Granduc Project"). The acquisition supersedes the option agreement dated July 16, 2010. Pursuant to the agreement, in addition to amounts previously paid in accordance with the superseded option agreement related to the Granduc Project, the Company paid Bell Copper Corporation an additional $2,000,000 and issued an additional 2,750,000 common shares of the Company (issued in October 2010 with a value of $1,375,000 based on the quoted market price of the Company's shares) for an aggregate acquisition price (including amounts paid pursuant to the superseded option agreement) of $4,500,000 and 3,000,000 common shares of the Company.

On August 16, 2011, the Company completed an acquisition of a mining claim located in the Skeena mining division in British Columbia. The claim is related to the Granduc Project. In connection with this acquisition, the Company paid cash consideration in the amount of $20,000, issued an aggregate of 94,118 common shares of the Company (valued at $80,000 based on the quoted market price of the Company's shares), and granted a 2% NSR over the acquired claim.

The Granduc Project is subject to a 2% Net Smelter Royalty ("NSR") in respect of certain mineral claims. The NSR can be purchased for $500,000 for the first one percent (1%) and $1 million for the remaining one percent (1%).

The Granduc Project is also subject to a 1.5% NSR in respect of certain mineral claims. The Company will also make annual payments of $25,000 and $25,000 worth of common shares (based on the average price of the shares over the previous 10 trading days prior to issuance) until the related mineral claims lapse or are put into commercial production. As of March 31, 2013, the Company has paid $75,000 cash and issued 220,069 common shares.

The Elmtree Gold Project, New Brunswick, Canada

On June 1, 2009, the Company entered into an option agreement with Stratabound Mineral Corp. ("Stratabound") to acquire up to a 70% interest in Stratabound's 100% owned Elmtree Gold Property, located in New Brunswick, Canada.

The Company can earn a 60% interest upon completion of the following terms over a 3 year option period ("FirstOption"):

(a) Payment of $100,000 in cash (paid) and issuance of 200,000 common shares (issued in 2009 with a value of $12,000, based on the quoted market value of the Company's shares) upon execution of the option agreement.

(b) Complete the following exploration expenditure requirements, which include an administration and management fee of 10% of amounts actually spent:
   i. a minimum of $750,000 on or prior to June 1, 2010 (completed);
   ii. an additional of at least $750,000, on or prior to June 1, 2011 (completed); and
   iii. $2,500,000, less the amounts spent as part of the expenditure requirements described in (i) and (ii) above on or prior to June 1, 2012 (completed).

(c) Make the following cash payments:
   i. $50,000 on or prior to June 1, 2010 (paid); and
   ii. an additional $50,000 on or prior to June 1, 2011 (paid).

The Company has completed the First Option and therefore earned a 60% interest in Stratabound's 100% owned Elmtree Gold Property.

Certain claims included in the Elmtree Gold Property are subject to net smelter royalties of up to 2%.

On June 22, 2012, the Company sold its 60% interest in the Elmtree gold property and assigned all of the Company`s right, obligations and interest in the underlying option agreement to CNRP Mining Inc. See Note 8.

Expressed in Canadian dollars

8. INVESTMENT

As at March 31, 2013, the Company's marketable securities consisted of the following:

	Note	Security Description	Fair value March 31, 2013 $
Winston Resources Inc.	(i)	18,000,000 common shares	180,000
Zara Resources Inc.	(ii)	720,000 common shares	72,000
Hadley Mining Inc.	(iii)	720,000 common shares	72,000
			324,000

As at September 30, 2012, the Company's marketable securities consisted of the following:

	Note	Security Description	Fair value September 30, 2012 $
Winston Resources Inc.	(i)	18,000,000 common shares	2,340,000
			2,340,000

(i) Winston Resources Inc. ("WRW")

On June 22, 2012, pursuant to a purchase and assignment agreement entered into on April 30, 2012 between the Company and CNRP Mining Inc. ("CNRP"), the Company received 18,000,000 common shares of CNRP as partial consideration for the sale of the Company's 60% interest in the Elmtree Gold Property. The CNRP shares were subsequently exchanged for common shares of WRW on a one-for-one basis pursuant to reverse takeover transaction plan of arrangement involving CNRP and WRW.

In addition to the receipt of WRW common shares, the Company will also receive:

(i) Cash payments of $500,000 over a 12 month period (included in amounts receivable); and
(ii) a 3% NSR interest on the Elmtree Deposit.

The fair value of the 18,000,000 WRW common shares was $4,500,000 using the quoted market price of WRW on the closing date (June 22, 2012). The investment in WRW is accounted for at fair value through profit and loss.

At September 30, 2012, the Company recorded an unrealized loss of $2,160,000 related to the change in the quoted market value of the WRW common shares to September 30, 2012.

During the six months period ended March 31, 2013, the Company recorded an additional unrealized loss of $2,160,000. As at March 31, 2013, the quoted market value of the WRW common shares was $180,000.

Pursuant to the agreement with CNRP, until the earlier of the completion of the distribution of these common shares to the shareholders of the Company, or June 22, 2014, the Company will:

(i) assign all of its voting rights in and to these common shares to an officer of CNRP; and
(ii) not sell any of these common shares to any third party without the prior consent of CNRP.

On April 25, 2013, Winston directors have approved a share consolidation of its common share on the basis of one (1) new common share for twenty (20) common shares effective May 15, 2013. Following consolidation and subject to rounding, Castle will have 900,000 of the 3,303,974 common shares issued and outstanding in Winston Resources Inc.

See Subsequent Events Note 18.

Expressed in Canadian dollars

9. LOAN PAYABLE

On July 14, 2010, the Company entered into a 5-year, non-revolving term loan facility in the principal amount of $2,200,000 with interest payable at the rate of 5% in the first 12 months and 9% in the following 48 months. The facility is repayable on July 14, 2015.

The facility is secured against all of the Company's assets. The facility was subject to a 10% discount amounting to $220,000. As a result, total proceeds to the Company amounted to $1,980,000.

In connection with the financing, the Company issued 3,600,000 drawdown warrants and 300,000 standby warrants. The estimated fair value of the drawdown warrants of $216,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 168%, a risk-free interest rate of 2.56% and an expected life of 5 years. Each drawdown warrant is exercisable into one common share and one-half warrant at a price of $0.25 for a period of 5 years. The estimated fair value of the standby warrants of $15,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 185%, a risk-free interest rate of 1.56% and an expected life of 2 years. Each standby warrant was exercisable into one common share at a price of $0.20 for a period of 2 years. The 300,000 standby warrants were exercised during the year ended September 30, 2011.

The value of the warrants and the discount was recorded against the debenture to be accreted over the term of the debenture. During the three months period ended March 31, 2013, the Company recorded $68,023 (March 31, 2012 - $68,488) interest, accretion expense and finance fees in the condensed interim consolidated statements of loss.

10. OTHER LIABILITIES

	March 31, 2013		September 30, 2012	
	Issued on October 2, 2012	Issued on March 15, 2013	Issued on October 19, 2011	Issued on March 29, 2012
Balance, opening	$ -	$ -	$ -	$ -
Liability incurred on flow-through shares issued	163,550	166,668	761,904	603,338
Settlement of flow-through share liability on incurring expenditures	(163,550)	(32,903)	(761,904)	(603,338)
Balance, ending	**$ -**	**$ 133,765**	**$ -**	$ -

On October 19, 2011, the Company completed a brokered private placement for total proceeds of $5,999,994 consisting of 9,523,800 flow-through shares at $0.63 per share. Other liabilities include the liability portion of the flow through shares issued. At September 30, 2012, the Company had incurred the required qualifying resource expenditure and derecognized the $761,904 liability.

On March 29, 2012, the Company completed a bought deal private placement for total proceeds of $10,000,115 consisting of 8,408,500 common shares at a price of $0.40 and 15,083,444 flow-through shares at a price of $0.44 per share. Other liabilities include the liability portion of the flow through shares issued. As at September 30, 2012, the Company had incurred the required qualifying resource expenditure and derecognized the $603,338 liability.

Expressed in Canadian dollars

10. OTHER LIABILITIES (continued)

On October 2, 2012, the Company completed a brokered private placement for total proceeds of $5,479,670 consisting of 19,802,079 common shares at a price of $0.19 and 8,177,500 flow-through shares at a price of $0.21 per share. Other liabilities include the liability portion of the flow through shares issued. As at December 31, 2012, the Company had incurred approximately of $1,029,700 in qualifying resource expenditure and derecognized the $98,130 liability.

On March 15, 2013 the Company completed a non-brokered private placement for total proceeds of $1,899,907 consisting of 9,090,000 common shares at a price of $0.11 and 6,666,722 flow-through shares at a price of $0.135 per share. Other liabilities include the liability portion of the flow through shares issued. As at March 31, 2013, the Company had incurred approximately of $177,570 in qualifying resource expenditure and derecognized the $32,903 liability.

11. CAPITAL STOCK

Authorized
Unlimited number of common shares
Unlimited number of preferred shares

Issued
Common shares

	Number #	Amount $
Balance at September 30, 2011	106,174,537	28,313,984
Private placement (i)	9,523,800	5,999,994
Share issue costs (i)	-	(354,415)
Flow-through share premium (Note 10)	-	(761,904)
Private placement (ii)	23,491,944	10,000,115
Share issue costs	-	(1,033,812)
Flow-through share premium (Note 10)	-	(603,338)
Warrants exercised	5,411,100	1,613,025
Warrants exercised – value reallocation	-	812,207
Share issued on property acquisition (Note 7)	51,020	25,000
Stock options exercised	625,000	187,500
Stock options – value reallocation	-	158,125
Utilization of share issue cost tax asset	-	897,603
Balance at September 30, 2012	145,277,401	45,254,084
Private placement (iii)	27,979,579	5,479,670
Share issue costs	-	(458,361)
Flow-through share premium (Note 10)	-	(163,550)
Share issued on property acquisition (Note 7)	119,048	25,000
Private placement (iv)	15,756,722	1,899,907
Warrant valuation	-	(277,000)
Share issue costs	-	(115,879)
Flow-through share premium (Note 10)	-	(166,668)
Balance at March 31, 2013	189,132,750	51,477,203

(i) On October 19, 2011, the Company closed a brokered private placement comprised of 9,523,800 flow-through shares at a price of $0.63 per share for gross proceeds of $5,999,994. In connection with the private placement, the Company paid cash commissions of 5% of the gross proceeds raised. As a result of this private placement, the Company is required to spend up to $5,999,994 on qualified exploration expenditures by December 31, 2012.

Expressed in Canadian dollars

11. CAPITAL STOCK (continued)

(ii) On March 29, 2012, the Company closed a bought deal private placement offering. The Company issued 8,408,500 common shares at a price of $0.40 and 15,083,444 flow-through shares at a price of $0.44 for gross proceeds of $10,000,115. In connection with the private placement, the Company paid cash commissions of 6% of the gross proceeds raised and also issued compensation warrants equal to 6% of the total number of shares issued. Each compensation warrant entitles the holder to exercise at a price of $0.40 for one common share of the Company, until March 29, 2014. On closing, the Company paid an aggregate amount of $600,007 in cash commissions and issued an aggregate of 1,409,518 compensation warrants. The Company incurred $98,558 in legal fees.

(iii) On October 2, 2012, the Company raised proceeds of $5,479,670 by way of a brokered private placement of 19,802,079 common shares at a price of $0.19 and 8,177,500 flow-through common shares at a price of $0.21.

The agents to the Offering received a cash commission of 5% of the gross proceeds raised through the Agents under the Offering, and 1,398,979 compensation options (each a “Compensation Option”) entitling them to acquire up to 1,398,979 Shares at a price of $0.19 per Compensation Option expiring on October 2, 2014.

(iv) On March 15, 2013, the Company raised proceeds of $1,899,907 by way of a non-brokered private placement of 9,090,000 hard dollar units (HD Unit) at a price of $0.11 and 6,666,722 flow-through units (FT Unit) at a price of $0.135. Each HD Unit comprised of one common share and one half of one common share purchase warrants. Each HD warrant is exercisable at a price of $0.15 expiring on September 15, 2014. Each FT Unit comprised of one common share and one half of one common share purchase warrants. Each FT warrant is exercisable at a price of $0.17 expiring on September 15, 2014. Both HD and FT warrants are subject to certain acceleration provisions.

The agents received cash commission of 6% of the gross proceeds raised through the Agents and 615,403 compensation options. The Company paid a total amount of $77,694 for commission, legal and filing fees and other share issue costs.

12. WARRANTS

	Number #	Amount $
Balance at September 30, 2011	27,543,175	3,748,425
Brokers warrants (i)	1,409,518	253,700
Warrants expired	(78,000)	(6,240)
Warrants exercised	(5,105,550)	(812,207)
Balance at September 30, 2012	23,769,143	3,183,678
Broker warrants issued (ii)	1,398,979	125,900
Warrants expired	(17,579,125)	(2,584,078)
Broker warrants issued (ii)	1,180,500	(129,900)
Private placement (iii)	7,878,361	277,000
Broker warrants	615,403	24,600
Warrant issue costs	-	(50,138)
Balance at March 31, 2013	17,263,261	847,062

(i) In connection with the March 29, 2012 private placement (Note 11 (ii)), the agent received 1,409,518 finder’s warrants which entitle the holder to purchase one common share of the Company at a price of $0.40. The finder’s warrants are exercisable for 2 years. The estimated fair value of the finder’s warrants of $253,700 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 93%, a risk-free interest rate of 1.18% and an expected life of 2 years.

Expressed in Canadian dollars

12. WARRANTS (continued)

(ii) In connection with the October 2, 2012 private placement (Note 11 (iii)), the agent received 1,398,979 finder's warrants which entitle the holder to purchase one common share of the Company at a price of $0.19 expiring on October 2, 2014. The estimated fair value of the finder's warrants of $125,900 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 89%, a risk-free interest rate of 1.06% and an expected life of 2 years.

(iii) In connection with the March 15, 2013 private placement (Note 11 (iv)), the Company issued 4,545,000 HD warrants and 3,333,361 FT warrants. The estimated fair value of the HD warrants of $167,000 and FT warrants of $110,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 89%, a risk-free interest rate of 0.99% and an expected life of 18 months.

The agent received 615,403 finder's warrants which entitle the holder to purchase one common share of the Company at a price of $0.135 expiring on September 15, 2014. The estimated fair value of the finder's warrants of $24,600 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 89%, a risk-free interest rate of 0.99% and an expected life of 18 months.

As of March 31, 2013, the following warrants were outstanding:

Value $	Outstanding Warrants #	Warrants Exercisable #	Exercise Price $	Expiry Date
253,700	1,409,518	1,409,518	0.40	March 29, 2014
216,000	3,600,000(i)	3,600,000	0.25	July 14, 2015
125,900	1,398,979(ii)	1,398,979	0.19	October 2, 2014
167,000	4,545,000	4,545,000	0.15	September 15, 2014
110,000	3333,361	3,333,361	0.17	September 15, 2014
24,600	615,403(iii)	615,403	0.135	September 15, 2014
897,200	14,902,261	14,902,261		

(i) These are drawdown warrants issued in connection with the debt facility (Note 9).
(ii) These are brokers' warrants issued in connection with the October 2, 2012 private placement.
(iii) These are brokers' warrants issued in connection with the March 15, 2013 private placement.

13. SHARE-BASED COMPENSATION

The Company has an incentive stock option plan (the "Plan") whereby the Company can grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding capital stock increases. Options granted under the Plan vest immediately pending any regulatory hold period.

Expressed in Canadian dollars

13. SHARE-BASED COMPENSATION (continued)

The Plan provides that it is solely within the discretion of the Board to determine who receives stock options and in what amounts. In no case (calculated at the time of grant) shall the Plan result in:

- The number of options granted in a 12-month period to any one consultant exceeding 2% of the issued shares of the Company;
- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The number of options granted in any 12-month period to employees or consultants undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Company;
- The aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants exceeding 5% of the issued shares of the Company in any 12-month period.
- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The number of options granted in any 12-month period to employees or consultants undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Company.

The following table reflects the continuity of stock options at September 30, 2012 and March 31, 2013:

	March 31, 2013		September 30, 2012	
	Number of stock options #	Weighted average exercise price $	Number of stock options #	Weighted average exercise price $
Balance, beginning of period	9,260,000	0.44	10,010,000	0.43
Expired/Forfeited	(80,000)	0.74	(125,000)	0.34
Exercised	-	-	(625,000)	0.30
Balance, end of period	9,180,000	0.40	9,260,000	0.44

As of March 31, 2013, the following stock options were outstanding:

Value $	Outstanding Options #	Options Exercisable #	Exercise Price $	Expiry Date
57,000	1,425,000	1,425,000	0.10	June 1, 2014
256,300	1,165,000	1,165,000	0.25	April 23, 2015
95,000	500,000	500,000	0.20	July 1, 2015
78,000	300,000	300,000	0.23	September 9, 2015
1,494,600	3,180,000	3,180,000	0.50	October 18, 2015
490,200	860,000	860,000	0.60	January 21, 2016
1,207,531	1,700,000	1,700,000	0.75	March 2, 2016
29,353	50,000	50,000	0.88	August 2, 2016
3,707,984	9,180,000	9,180,000		

See Subsequent Events Note 18.

Expressed in Canadian dollars

14. RELATED PARTY TRANSACTIONS

These condensed interim consolidated financial statements include balances and transactions with directors and officers of the Company and corporations related to them. The Company paid fees for services to certain officers and directors or companies controlled by certain officers and directors during the period that were recorded in the accounts shown below:

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company:

Key Management Compensation

	Six months ended March 31, 2013	Year ended September 30, 2012
Exploration and evaluation assets	$ 302,414	$ 567,723
Consulting fees	431,660	563,229
Directors' fees	15,483	31,365
	$ 749,557	$ 1,162,317

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes loan payable and equity, comprised of issued common shares, warrants, contributed surplus and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest in are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during 2013 and 2012. The Company is not subject to any externally imposed requirements.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

16. FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its risk management objectives. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below. There have been no changes in the risks, objectives, policies and procedures during 2013 and 2012.

Liquidity risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

At March 31, 2013, the Company had cash balance of $1,033,499 (September 30, 2012 - $856,485) and current assets of $3,695,473 (September 30, 2012 - $5,688,533), to settle current liabilities of $736,967 (September 30, 2012 - $6,300,469). The Company has working capital of $2,958,506 at March 31, 2013 (September 30, 2012 – working capital deficiency of $611,936).

Interest Rate Risk
The Company has cash balances and no interest-bearing debt other than the loan payable as describe in Note 10. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit Risk
The Company's credit risk is primarily attributable to guaranteed investment certificates and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Guaranteed investment certificates have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Amounts receivable include harmonized sales tax due from the Federal Government of Canada and tax credits due from the Government of the Province of British Columbia, Canada. Management believes that the credit risk concentration with respect to these amounts included in the amounts receivable is remote, however such amounts are subject to government audit.

Sensitivity analysis
As at March 31, 2013, the carrying and fair value amounts of the Company's financial instruments are approximately the same.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

Fair Value
The Company’s cash equivalents and investments are classified as held-for-trading, measured at fair value. Cash, amounts receivable, and long-term receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, and loan payable are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, amounts receivable, loan receivable, accounts payable and accrued liabilities, and loan payable approximate their fair value due to the relatively short periods to maturity of the financial instruments.

Fair Value hierarchy and liquidity risk disclosure
The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

16. FINANCIAL RISK MANAGEMENT (continued)

As at March 31, 2013 and September 30, 2012, the Company's financial instruments that are carried at fair value, consisting of cash equivalents and investment in WRW common shares, have been classified as Level 2 and Level 1, respectively, within the fair value hierarchy.

17. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company is party to certain management and employee contracts. These contracts contain clauses requiring additional payments of up to $2,210,000 be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these condensed interim consolidated financial statements. Minimum management contract commitments remaining under these contracts are approximately $1,010,000, due within one year.

Premise Lease
The Company is subject to a lease commitment and is committed to expenditures approximately of $120,456 in fiscal year 2013.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Spending
Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligation with subscribers with respect to the Canadian Federal Income Tax requirements.

In October 2011, the Company raised $5,999,994 through the issuance of flow-through shares and it required to spend such funds on qualified exploration expenditures by December 31, 2012. At December 31, 2012, the Company has met this spending requirement.

In March 2012, the Company raised $6,636,715 through the issuance of flow-through shares and it required to spend such funds on qualified exploration expenditures by December 31, 2013. At December 31, 2012, the Company has met this spending requirement.

In October 2012, the Company raised $1,717,275 through the issuance of flow-through shares and it required to spend such funds on qualified exploration expenditures by December 31, 2013. At March 31, 2013, the Company has met this spending requirement.

In March 2013, the Company raised $900,007 through the issuance of flow-through shares and it required to spend such funds on qualified exploration expenditures by December 31, 2014. At March 31, 2013, the Company spent approximately $177,570 of this spending requirement.

18. SUBSEQUENT EVENTS

GreenBank Capital Inc. ("GreenBank")

On April 16, 2013**,** the Company received 7,003,891 common shares of GreenBank as a result of a transfer of shares to shareholders of Winston Resources Inc. as a dividend in kind under a plan of arrangement effective the same date. The shares ownership represents 27.2% of the issued and outstanding capital of the GreenBank. GreenBank is a corporate finance investment business focusing on investing in Canadian small cap publicly listed companies. GreenBank is listed on the Canadian National Stock Exchange under the ticker symbol GBC.

CNRP

On April 17, 2013**,** the Company received 562,500 common shares of CNRP as a result of a transfer of shares to shareholders of Winston Resources Inc. as a dividend in kind under a plan of arrangement effective the same date. The shares ownership represents 4% of the issued and outstanding capital of the CNRP. CNRP is a Toronto based mineral company focused on developing its 100% owned Elmtree Gold Project in New Brunswick Canada. CNRP is listed on the Canadian National Stock Exchange under the ticker symbol CND.

Stock Options Grant

On April 23, 2013**,** The Company granted of an aggregate of 7,542,000 incentive stock options to certain employees, consultants, officers and directors of the Company. Of these Options, 5,332,500 Options were granted to members of management of the Company, 540,000 Options were granted to non-executive directors of the Company, and 1,669,500 were granted to certain employees and consultants of the Company. The Options are exercisable on or before April 23, 2018 at an exercise price of $0.11 per share.