

NEVADA EXPLORATION INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED JANUARY 31, 2013

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended January 31, 2013.

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	January 31, 2013	April 30, 2012 (Audited)
ASSETS		
Current assets		
Cash	\$ 798,036	\$ 777,826
Accounts receivable (Note 3)	58,652	15,190
Prepaid expenses (Note 4)	15,466	16,279
Loans receivable (Note 16)	9,500	9,052
Short term investments (Note 5)	<u>34,014</u>	<u>-</u>
Total current assets	<u>915,668</u>	<u>818,347</u>
Non-current assets		
Equipment (Note 7)	126,811	162,440
Exploration and evaluation assets (Note 8)	6,349,553	6,002,903
Deposits and bonds (Note 9)	<u>94,034</u>	<u>93,101</u>
Total non-current assets	<u>6,570,398</u>	<u>6,258,444</u>
Total assets	<u>\$ 7,486,066</u>	<u>\$ 7,076,791</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 99,514	\$ 233,663
Current portion of finance lease obligations (Note 11)	<u>1,331</u>	<u>7,184</u>
Total current liabilities	<u>100,845</u>	<u>240,847</u>
Equity		
Capital stock (Note 12)	15,967,256	15,072,716
Reserves (Note 13)	1,338,915	1,323,621
Deficit	<u>(9,920,950)</u>	<u>(9,560,393)</u>
Total equity	<u>7,385,221</u>	<u>6,835,944</u>
Total liabilities and equity	<u>\$ 7,486,066</u>	<u>\$ 7,076,791</u>

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board on _____ :

<u>“Wade Hodges”</u> Wade Hodges	Director	<u>“Cyrus Driver”</u> Cyrus Driver	Director
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The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three months ended January 31, 2013	Three months ended January 31, 2012	Nine months ended January 31, 2013	Nine months ended January 31, 2011
INCOME				
Project management and consulting	\$ 44,072	\$ 221,582	\$ 167,679	\$ 523,224
Option payments	-	-	72,516	-
Interest	<u>285</u>	<u>111</u>	<u>515</u>	<u>325</u>
Total income	<u>44,357</u>	<u>221,693</u>	<u>240,710</u>	<u>523,549</u>
EXPENSES				
Amortization	12,476	16,856	45,918	51,037
General exploration costs	17,964	5,678	46,190	5,678
Interest and bank charges	362	(142)	1,203	1,750
Office expenses and other	30,306	19,258	74,038	59,482
Professional fees, consulting and investor relations (Note 6)	64,453	66,813	144,918	202,194
Project management and consulting	11,899	136,602	61,085	226,946
Rent	17,786	22,940	58,425	72,192
Salaries (Note 18)	105,350	109,979	314,365	334,848
Share-based payments (Note 18)	53,745	6,940	109,436	192,022
Travel	<u>2,474</u>	<u>2,128</u>	<u>6,544</u>	<u>14,082</u>
Total operating expenses	<u>(316,815)</u>	<u>(387,052)</u>	<u>(862,122)</u>	<u>(1,160,231)</u>
Loss from operations	<u>(272,458)</u>	<u>(165,359)</u>	<u>(621,412)</u>	<u>(636,682)</u>
OTHER ITEMS				
Gain (loss) on sale of equipment	902	(13)	13,953	3,149
Unrealized gain on marketable securities	<u>9,014</u>	<u>-</u>	<u>9,014</u>	<u>-</u>
	<u>9,916</u>	<u>(13)</u>	<u>22,967</u>	<u>3,149</u>
Loss for the period	<u>(262,542)</u>	<u>(165,372)</u>	<u>(598,445)</u>	<u>(633,533)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Currency translation adjustment	<u>4,535</u>	<u>38,820</u>	<u>56,769</u>	<u>341,011</u>
Comprehensive (loss) for the period	<u>\$ (258,007)</u>	<u>\$ (126,552)</u>	<u>\$ (541,676)</u>	<u>\$ (292,522)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>122,196,335</u>	<u>107,532,851</u>	<u>119,405,542</u>	<u>104,067,783</u>

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					Total Equity
	Shares	Amount	Options	Warrants	Currency Translation	Total Reserves	Deficit	
Balance, May 1, 2011	100,532,851	\$ 13,165,319	\$ 1,838,008	\$ 599,596	\$ (439,962)	\$ 1,997,642	\$ (9,419,477)	\$ 5,743,484
Private placements	7,000,000	560,000	-	-	-	-	-	560,000
Share issuance costs – cash	-	(28,570)	-	-	-	-	-	(28,570)
Share issuance costs – warrants	-	(51,907)	-	51,907	-	51,907	-	-
Share issuance costs – agent warrants	-	(4,718)	-	4,718	-	4,718	-	-
Share-based payment	-	-	192,022	-	-	192,022	-	192,022
Options expired	-	-	(273,999)	-	-	(273,999)	273,999	-
Warrants expired	-	562,037	-	(562,037)	-	(562,037)	-	-
Other comprehensive income	-	-	-	-	341,011	341,011	-	341,011
Loss for the period	-	-	-	-	-	-	(633,533)	(633,533)
Balance, January 31, 2012	107,532,851	\$ 14,202,161	\$ 1,756,031	\$ 94,184	\$ (98,951)	\$ 1,751,264	\$ (9,779,011)	\$ 6,174,414
Balance, May 1, 2012	117,815,851	\$ 15,072,716	\$ 1,320,749	\$ 199,166	\$ (196,294)	\$ 1,323,621	\$ (9,560,393)	\$ 6,835,944
Private placement	10,000,000	1,000,000	-	-	-	-	-	1,000,000
Shares for debt	200,000	20,000	-	-	-	-	-	20,000
Shares for property (Note 8)	50,049	5,468	-	-	-	-	-	5,468
Share issuance costs – cash	-	(43,951)	-	-	-	-	-	(43,951)
Share issuance costs - warrants	-	(128,376)	-	128,376	-	128,376	-	-
Share issuance costs – agent warrants	-	(15,226)	-	15,226	-	15,226	-	-
Share-based payment	-	-	109,436	-	-	109,436	-	109,436
Options expired	-	-	(237,888)	-	-	(237,888)	237,888	-
Warrants expired	-	56,625	-	(56,625)	-	(56,625)	-	-
Other comprehensive income	-	-	-	-	56,769	56,769	-	56,769
Loss for the period	-	-	-	-	-	-	(598,445)	(598,445)
Balance, January 31, 2013	128,065,900	\$ 15,967,256	\$ 1,192,297	\$ 286,143	\$ (139,525)	\$ 1,338,915	\$ (9,920,950)	\$ 7,385,221

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2013	Nine months ended January 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (598,445)	\$ (633,533)
Items not affecting cash:		
Amortization	45,918	51,037
Accrued interest	(230)	(325)
Gain on sale of equipment	(13,953)	(3,149)
Loan receivable paid through salary	-	9,607
Share-based payment	109,436	192,022
Unrealized gain on marketable securities	(9,014)	-
Changes in non-cash working capital items:		
Accounts receivable	(43,462)	(106,614)
Prepaid expenses	813	(873)
Accounts payable and accrued liabilities	<u>(98,872)</u>	<u>206,115</u>
Net cash used in operating activities	<u>(607,809)</u>	<u>(285,713)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(12,177)	(13,678)
Deposits and bonds	-	(21,842)
Proceeds from sale of equipment	17,719	5,980
Proceeds from exploration and evaluation option	24,975	83,129
Exploration and evaluation expenditures	<u>(340,089)</u>	<u>(351,242)</u>
Net cash used in investing activities	<u>(309,572)</u>	<u>(297,653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital stock and warrants (net of share issuance costs)	956,049	531,430
Repayment of finance lease obligations	<u>(5,853)</u>	<u>(17,859)</u>
Net cash provided by financing activities	<u>950,196</u>	<u>513,571</u>
Effect of foreign exchange	<u>(12,605)</u>	<u>5,969</u>
Change in cash for the period	20,210	(63,826)
Cash, beginning of period	<u>777,826</u>	<u>151,145</u>
Cash, end of period	<u>\$ 798,036</u>	<u>\$ 87,319</u>

Supplemental disclosure with respect to cash flows (Note 14)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties. On July 14, 2010, the Company amalgamated with its subsidiary 2107189 Ontario Inc. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The amounts shown for mineral properties and related deferred exploration costs represent costs incurred to date and do not reflect present or future values. The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and future profitable production.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and the Company’s head office is located at Suite 1500 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 25th Floor, 700 W. Georgia St., Vancouver, BC V7Y 1B3.

Basis of consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Pediment Gold LLC. The financial statements of the Company’s subsidiary have been consolidated from the date that control commenced. All inter-company balances and transactions, and income and expenses have been eliminated upon consolidation.

The financial statements include the financial statements of Nevada Exploration Inc. and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
Pediment Gold LLC	USA	US dollar	100%	Exploration company

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on March 19, 2013.

Going concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business. There are material uncertainties related to adverse conditions and events that cast significant doubt on the Company’s ability to continue as a going concern.

During the period ended January 31, 2013, the Company incurred a comprehensive loss of \$541,676 (2012 – 292,522) and as at that date, the Company had accumulated deficit of \$9,920,950 (2012 – 9,779,011), a working capital surplus of \$814,823 (2012 – Deficit of \$123,261) and negative cash flows from operations of \$607,809 (2012 – 285,713). These factors create material uncertainties that may cast substantial doubt upon the Company’s ability to continue as a going concern.

As is common with junior mining companies, the Company continues to seek capital through various means including the issuance of equity and/or debt to finance its on-going and planned exploration activities and to cover administrative costs.

1. **NATURE OF OPERATIONS AND GOING CONCERN** (cont'd....)

Basis of consolidation (cont'd...)

Going concern (cont'd...)

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Recovery of the carrying value of the mining claims and related deferred exploration expenditures are dependent upon the discovery of economically recoverable resources, the ability of the Company to develop necessary financing to continue exploration and development, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering into agreements with others to explore and develop the properties and upon future profitable production or proceeds from disposition of such properties.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

2. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") for complete financial statements for year end reporting purposes. Results for the period ended January 31, 2013, are not necessarily indicative of future results.

The accounting policies applied by the Company in these condensed consolidated interim financial statements other than as noted in Note 2 (b) are the same as those applied by the Company in its most recent annual consolidated financial statements as at and for the year ended April 30, 2012 as filed on SEDAR at www.sedar.com.

(b) **New Accounting Standards and Amendments to Existing Standards**

New and amended standards adopted by the Company

Effective May 1, 2012, the Company adopted amendments to IFRS 7, *Financial Instruments: Disclosures* that were issued by the IASB. The application of these amendments has not had any material impact on current and prior year disclosures but may affect disclosures for future transactions or arrangements.

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new or revised standards and amendments that have been issued but are not yet effective at January 31, 2013:

- (i) Effective for annual periods beginning on or after July 1, 2012
 - Amendments to IAS 1, *Presentation of Financial Statements*

2. SIGNIFICANT ACCOUNTING POLICIES

New or revised standards and amendments to existing standards not yet effective (Cont'd....)

- (ii) Effective for annual periods beginning on or after January 1, 2013
- New standard IFRS 10, *Consolidated Financial Statements*
 - New standard IFRS 11, *Joint Arrangements*
 - New standard IFRS 12, *Disclosure of Interests in Other Entities*
 - New standard IFRS 13, *Fair Value Measurement*
 - Reissued IAS 27, *Separate Financial Statements*
 - Reissued IAS 28, *Investments in Associates and Joint Ventures*
- (iii) Effective for annual periods beginning on or after January 1, 2015
- New standard IFRS 9, *Financial Instruments, Classification and Measurement*

The Company is currently assessing the impact that these standards will have on the Company's consolidated financial statements.

3. ACCOUNTS RECEIVABLE

The Company's receivables arise from two main sources: Harmonized Sales Tax ("HST") receivable due from Canadian government taxation authorities and trade accounts receivable. These are broken down as follows:

	January 31, 2013	April 30, 2012
HST receivable	\$ 5,125	\$ 15,190
Accounts receivable	<u>53,527</u>	<u>-</u>
Total	\$ 58,652	\$ 15,190

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	January 31, 2013	April 30, 2012
Security deposit for rental of premises	\$ 15,466	\$ 16,279

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. SHORT TERM INVESTMENTS

As at January 31, 2013			
	Number	Cost	Carrying Value
Spruce Ridge Resources Ltd. – Shares	170,068	\$ 25,000	\$ 34,014

During the period ended January 31, 2013, received 170,068 shares with an initial value of \$25,000 of Spruce Ridge Resources Ltd. (“Spruce Ridge”) as a partial payment on the option agreement entered into on the Fletcher Junction property (Notes 6 & 8). The Company revalued the shares based on the market price at January 31, 2013 resulting in an unrealized gain of \$9,014.

As at January 31, 2013, the Company classified its investment as investments at fair value through profit or loss and determined the fair value of the Spruce Ridge shares based on the market price per share of \$0.20. The Company recognized a carrying value of \$34,014 for the 170,068 shares.

6. RELATED PARTY TRANSACTIONS

During the period ended January 31, 2013, the Company:

- i) paid or accrued \$48,800 (2012 - \$67,200) in professional fees to a firm in which the Chief Financial Officer of the Company is a partner;
- ii) granted 1,000,000 stock options to independent directors of the Company resulting in share based compensation of \$97,959; and
- iii) entered into an Exploration and Option to Joint Venture Agreement with Spruce Ridge on the Company’s Fletcher Junction Project (Note 8) and received 170,068 shares as partial payment on the option. A Director of the Company is also an Officer and Director of Spruce Ridge (Note 5).

The amounts due to related parties are as follows:

	January 31, 2013	April 30, 2012
Firm of which the Chief Financial Officer is a partner	\$ 15,000	\$ 32,136

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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7. EQUIPMENT

	Exploration equipment	Vehicles	Computer equipment	Office equipment	Total
Cost					
Balance, April 30, 2012	\$ 238,528	\$ 71,087	\$ 75,997	\$ 76,619	\$ 462,231
Additions	9,464	-	2,710	-	12,174
Disposals	(18,841)	-	-	-	(18,841)
Effect of translation	<u>2,689</u>	<u>813</u>	<u>869</u>	<u>1,404</u>	<u>5,775</u>
Balance, January 31, 2013	\$ 231,840	\$ 71,900	\$ 79,576	\$ 78,023	\$ 461,339
Accumulated amortization					
Balance, April 30, 2012	147,537	59,427	21,662	71,165	299,791
Amortization	29,934	10,457	-	5,527	45,918
Disposals	(15,073)	-	-	-	(15,073)
Effect of translation	<u>1,647</u>	<u>667</u>	<u>247</u>	<u>1,331</u>	<u>3,892</u>
Balance, January 31, 2013	\$ 164,045	\$ 70,551	\$ 21,909	\$ 78,023	\$ 334,528
Carrying amounts					
As at April 30, 2012	\$ 90,991	\$ 11,660	\$ 54,335	\$ 5,454	\$ 162,440
As at January 31, 2013	\$ 67,795	\$ 1,349	\$ 57,667	\$ -	\$ 126,811

Included in equipment at January 31, 2013 are:

- i) assets under finance lease with a cost of \$117,767 (April 30, 2012 - \$116,435) and accumulated amortization of \$93,871 (April 30, 2012 - \$75,344). The Company recorded amortization of \$17,665 (2012 - \$17,668) on leased assets.
- ii) database not yet available for use with a cost of \$57,667 (April 30, 2012 - \$54,538). No amortization has been taken on this computer equipment in the current period.

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. EXPLORATION AND EVALUATION ASSETS

As at January 31, 2013:

	AW	BU	FJ	HP	JU	KC	RP	SP	WF	TOTAL
Acquisition costs										
Balance – beginning of period	\$ 164,063	\$ 399,961	\$ 267,010	\$ 56,520	\$ 156,360	\$ 644,510	\$ 192,187	\$ 301,753	\$ 200,844	\$2,383,208
Additions – cash	30,976	16,242	-	20,886	16,294	108,309	11,183	44,363	14,889	263,142
Additions – shares	-	-	-	-	-	5,463	-	-	-	5,463
Option payments received	-	-	(49,950)	-	-	-	-	-	-	(49,950)
Effect of translation	<u>2,124</u>	<u>4,532</u>	<u>2,363</u>	<u>843</u>	<u>1,880</u>	<u>8,257</u>	<u>2,214</u>	<u>3,769</u>	<u>2,349</u>	<u>28,331</u>
Balance – end of period	<u>197,163</u>	<u>420,735</u>	<u>219,423</u>	<u>78,249</u>	<u>174,534</u>	<u>766,539</u>	<u>205,584</u>	<u>349,885</u>	<u>218,082</u>	<u>2,630,194</u>
Exploration costs										
Balance – beginning of period	624,356	869,907	1,012,327	764,783	60,104	54,234	64,165	85,739	84,080	3,619,695
Geochemistry	5,446	9,975	-	-	-	1,761	-	-	-	17,182
Geophysics	-	-	-	-	-	11,361	-	-	-	11,361
Geological	2,355	3,753	40	15,862	-	6,489	-	-	-	28,499
Travel	493	1,699	161	-	-	207	-	-	-	2,560
Effect of translation	<u>6,889</u>	<u>9,640</u>	<u>11,025</u>	<u>8,500</u>	<u>653</u>	<u>806</u>	<u>699</u>	<u>934</u>	<u>916</u>	<u>40,062</u>
Balance – end of period	<u>639,539</u>	<u>894,974</u>	<u>1,023,553</u>	<u>789,145</u>	<u>60,757</u>	<u>74,858</u>	<u>64,864</u>	<u>86,673</u>	<u>84,996</u>	<u>3,719,359</u>
Total costs	\$ 836,702	\$1,315,709	\$1,242,976	\$ 867,394	\$ 235,291	\$ 841,397	\$ 270,448	\$ 436,558	\$ 303,078	\$6,349,553

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
JANUARY 31, 2013

8. EXPLORATION AND EVALUATION ASSETS

As at April 30, 2012:

	AW	BU	FJ	HP	JU	KC	RP	SP	WF	TOTAL
Acquisition costs										
Balance – beginning of year	\$ 238,492	\$ 344,641	\$ 238,965	\$ 33,461	\$ 126,760	\$ 483,426	\$ 160,954	\$ 237,356	\$ 174,499	\$2,038,554
Additions - cash	2,254	39,605	17,554	20,838	23,456	135,760	23,682	52,541	18,454	334,144
Option payments received	(83,129)	-	-	-	-	-	-	-	-	(83,129)
Effect of translation	<u>6,446</u>	<u>15,715</u>	<u>10,491</u>	<u>2,221</u>	<u>6,144</u>	<u>25,324</u>	<u>7,551</u>	<u>11,856</u>	<u>7,891</u>	<u>93,639</u>
Balance – end of year	<u>164,063</u>	<u>399,961</u>	<u>267,010</u>	<u>56,520</u>	<u>156,360</u>	<u>644,510</u>	<u>192,187</u>	<u>301,753</u>	<u>200,844</u>	<u>2,383,208</u>
Exploration costs										
Balance – beginning of year	587,098	835,727	972,551	722,804	57,078	49,910	60,980	81,706	80,776	3,448,630
Drilling	12,726	-	-	-	-	2,193	-	-	-	14,919
Geological	-	-	-	11,549	664	-	664	664	-	13,541
Travel	-	-	-	382	-	-	-	-	-	382
Effect of translation	<u>24,532</u>	<u>34,180</u>	<u>39,776</u>	<u>30,048</u>	<u>2,362</u>	<u>2,131</u>	<u>2,521</u>	<u>3,369</u>	<u>3,304</u>	<u>142,223</u>
Balance – end of year	<u>624,356</u>	<u>869,907</u>	<u>1,012,327</u>	<u>764,783</u>	<u>60,104</u>	<u>54,234</u>	<u>64,165</u>	<u>85,739</u>	<u>84,080</u>	<u>3,619,695</u>
Total costs	\$ 788,419	\$1,269,868	\$1,279,337	\$ 821,303	\$ 216,464	\$ 698,744	\$ 256,352	\$ 387,492	\$ 284,924	\$6,002,903

8. EXPLORATION AND EVALUATION ASSETS (cont'd....)

Awakening (AW)

The Awakening Project is located in Humboldt County, Nevada, approximately 50 km north-northwest of Winnemucca, Nevada. The Company has a 100% interest in 206 claims (approx. 16.7 km²) at Awakening.

On July 1, 2008, the Company entered into a Mining Lease agreement with DIR Exploration Inc. ("DIR") on 15 claims (approx. 120 hectares). Based on the results of the Company's work to date at the Awakening Project, the Company has focused its exploration on areas within the claims controlled directly by NGE; accordingly, NGE terminated the Mining Lease during the period ended January 31, 2013.

On June 4, 2010, the Company entered into an Exploration and Option to Joint Venture Agreement with Northgate Minerals Corp. ("Northgate"), whereby Northgate could earn a joint venture interest in the Awakening Gold Project.

In October, 2011, Northgate was acquired by AuRico Gold Inc. ("AuRico"), and during the year ended April 30, 2012, AuRico elected to terminate the Agreement and retains no interest in the project.

Bull Creek (BU)

The Bull Creek Project is located in Humboldt County, Nevada, approximately 60 km west-northwest of Winnemucca, Nevada. The Company has a 100% interest in 108 claims (approx. 8.7 km²) at Bull Creek.

Fletcher Junction (FJ)

The Fletcher Junction Project is located in Mineral County, Nevada, approximately 30 km southwest of Hawthorne, Nevada. The Company has a 100% interest in 117 claims (approx. 9.6 km²) at the Fletcher Junction Project, subject to a 1.25% net smelter return royalty ("NSR").

During the period ended October 31, 2012, the Company entered into an Exploration and Option to Joint Venture Agreement with Spruce Ridge Resources Ltd. ("Spruce Ridge"), whereby Spruce Ridge may earn a 70% joint venture interest in the property by funding \$2,600,000 in qualifying expenditures and making \$300,000 in payments over 4 years. Subject to TSX approval, Spruce Ridge may elect to pay up to 50% of the payments by issuing Spruce common shares. If Spruce Ridge completes earn-in, Spruce Ridge may earn an additional 15% for a total of 85%, by completing a feasibility report. Upon signing the agreement, Spruce Ridge paid the Company \$25,000 and issued 170,068 shares to the Company with a value of \$25,000 (Note 5).

Hot Pot (HP)

On September 16, 2005, the Company entered into a Mining Lease Agreement at the Hot Pot Project located in Humboldt County, Nevada, approximately 30 km northwest of Battle Mountain, Nevada. Under the terms of the agreement, the Company is required to make annual payments of US\$20,000 on each anniversary, and the agreement is subject to a 3% NSR to the property owner. The Company also controls 6 claims (approx. 50 hectares) at Hot Pot. All of the Company's mineral interests at Hot Pot are subject to a 1.25% NSR.

On September 16, 2009, the Company entered into an Exploration Agreement with International Enexco Ltd. ("Enexco") whereby Enexco could earn a 51% interest in the Hot Pot Property by drilling 6,000 meters (19,600ft) over three years, with the option to earn an additional 19%, for 70% total, by drilling another 3,000 meters (9,800ft) during the fourth year. During the year ended April 30, 2012, Enexco elected to terminate the agreement and retains no interest in the project.

8. EXPLORATION AND EVALUATION ASSETS (cont'd....)

Jungo (JU)

The Jungo Property is located in both Humboldt and Pershing Counties, Nevada, approximately 60 km west of Winnemucca, Nevada. The Company has a 100% interest in 108 claims (approx. 8.7 km²) at Jungo.

Kelly Creek (KC)

The Kelly Creek Project is located in Humboldt County, Nevada, approximately 40 km north-northwest of Battle Mountain, Nevada. The Company has a 100% interest in 430 claims (approx. 34.8 km²) at Kelly Creek.

On October 1, 2009, the Company entered into a Mining Lease and Option to Purchase Agreement with Genesis Gold Corporation (“Genesis”). Genesis has 100% interest in 254 claims (approx. 20.2 km²) at Kelly Creek under the Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (50,000 shares issued in 2011, 50,000 shares issued in 2010) and US\$1,500,000, subject to a 1.5% Net Smelter Return Royalty (“Royalty”). The Company also has the option to purchase one half of the royalty (0.75%) for US\$750,000. The share issuance transaction is measured at fair value of the shares issued as the fair value of the option payment could not be reliably measured.

The Company shall pay to Genesis advance royalty payments as follows:

1 st anniversary	\$	5,000	(paid)
2 nd anniversary		10,000	(paid)
3 rd anniversary		10,000	(paid)
4 th anniversary		10,000	
5 th and each subsequent anniversaries		50,000	

Rye Patch (RP)

The Rye Patch Project is located in Pershing County, Nevada, approximately 30 km northeast of Lovelock, Nevada. The Company has a 100% interest in 41 claims (approx. 3.3 km²) at Rye Patch.

On May 22, 2008, the Company entered into a four year Mining Lease Agreement on an additional 65 hectares, subject to a 2.0% NSR. On November 9, 2010, an amendment to the agreement was made reducing the Company’s annual payments from US\$10,000 to US\$5,000 effective May 22, 2010. The amendment also waived the exclusivity of the Company’s option to purchase the property for US\$325,000.

On July 21, 2008, the Company entered into a four year Mining Lease Agreement on an additional 16 hectares, subject to a 2% NSR. Under the terms of this agreement the Company is required to make annual payments of US\$6,000, and the Company has the option to purchase this property for US\$30,000. During fiscal 2011 and 2012 the Company did not make the annual payment of US\$6,000 as the Company is trying to re-negotiate this agreement. The Company has attempted to contact the owner and has not received a notice of default.

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8. EXPLORATION AND EVALUATION ASSETS (cont'd....)

Sand Pass (SP)

The Sand Pass Project is located in Humboldt County, Nevada, approximately 10 km north of Winnemucca, Nevada. The Company has a 100% interest in 89 claims (approx. 16.6 km²) at Sand Pass, and on July 10, 2008, the Company entered into a Mining Lease agreement for another 9.4 km² with multiple parties, subject to a 2% NSR. Under the terms of the agreement, the Company is required to make minimum lease payments of US\$31,000 each anniversary, which is being fulfilled every year.

Whiskey Flats (WF)

The Whiskey Flats Project is located in Mineral County, Nevada, approximately 20 km south of Hawthorne, Nevada. The Company has a 100% interest in 99 claims (8.0 km²) at Whiskey Flats.

9. DEPOSITS AND BONDS

	January 31, 2013	April 30, 2012
Security deposits ⁽¹⁾	\$ 11,500	\$ 11,500
Reclamation bond deposits ⁽²⁾	<u>82,534</u>	<u>81,601</u>
	<u>\$ 94,034</u>	<u>\$ 93,101</u>

(1) Security deposits consists of a \$11,500 guaranteed investment certificate ("GIC") maturing on August 3, 2013 and bearing interest at prime. The GIC is used to secure the credit limit on a credit card.

(2) Reclamation deposits are required by the U.S. Bureau of Land Management ("BLM") and the U.S. Forest Service ("USFS") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM and the USFS. The Company does not have any asset retirement obligations as of January 31, 2013.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables and accrued liabilities for the Company are as follows:

	January 31, 2013	April 30, 2012
Customer prepayments	\$ 42,926	\$ 67,138
Trade payables	13,302	62,000
Due to related parties (Note 5)	15,000	32,136
Accrued liabilities	28,286	51,102
Salaries payable	<u>-</u>	<u>21,287</u>
Total	<u>\$ 99,514</u>	<u>\$ 233,663</u>

11. FINANCE LEASE OBLIGATIONS

The Company has a finance lease obligation for a leased vehicle, with blended monthly payments of principal and interest of US\$677 and bearing interest at a rate of 1.93% per annum.

	January 31, 2013	April 30, 2012
Lease obligations	\$ 1,331	\$ 7,253
Deduct: amount representing interest	<u>-</u>	<u>(69)</u>
Present value of minimum lease payments due	1,331	7,184
Less: current portion	<u>(1,331)</u>	<u>(7,184)</u>
	<u>\$ -</u>	<u>\$ -</u>

Remaining fiscal principal repayments of the finance lease obligation is \$1,331.

12. CAPITAL STOCK

a) Authorized share capital:

As at January 31, 2013, the authorized share capital of the Company was:
 Unlimited number of common shares without par value;
 Unlimited number of preferred shares without par value;
 All issued shares are fully paid.

b) Issued share capital:

During the period ended January 31, 2013, the Company:

- i) settled outstanding indebtedness to a vendor of \$20,000 through the issuance of 200,000 common shares of the Company at a deemed price of \$0.10 per common share, and the Company issued 50,049 common shares of the Company at a deemed price of \$0.11 per common share as part of the annual payment due under a mineral lease to the property owner.
- ii) completed a non-brokered private placement by issuing 10,000,000 Units at a price of \$0.10 per Unit for total gross proceeds of \$1,000,000. Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.15 for a period of one year. Fair value allocated in connection to these warrants was \$128,376. In connection with the private placement, the Company:
 - a) paid cash share issuance costs of \$43,951; and
 - b) issued 369,200 agent warrants with a fair value of \$15,226, where each agent warrant entitles the holder to purchase one common share at a price of \$0.15 for a period of one year. In the absence of a reliable measurement of the services received, the services have been measured at the fair value of the agent warrants issued.

12. CAPITAL STOCK

b) Issued share capital: (cont'd...)

- iii) During the period ended January 31, 2012, the Company completed a non-brokered private placement by issuing 7,000,000 Units at a price of \$0.08 per Unit for total gross proceeds of \$560,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.12 for a period of one year (expired during the period – Note 13 (b)). Fair value allocated in connection to these warrants was \$51,907. In connection with the private placement, the Company:
- a) paid cash share issuance costs of \$28,570; and
 - b) issued 288,200 agent warrants with a fair value of \$4,718, where each agent warrant entitles the holder to purchase one common share at a price of \$0.12 for a period of one year (expired during the period – Note 13 (b)). In the absence of a reliable measurement of the services received, the services have been measured at the fair value of the agent warrants issued.

13. RESERVES

a) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years, and generally vest over a 3 year period, or as determined by the Company's directors.

During the period ended January 31, 2013, the Company:

- i) granted 1,100,000 stock options resulting in share-based payment of \$106,802.
- ii) recorded share-based payment expense of \$2,634 for options granted in the prior year which vested during the period.

During the period ended January 31, 2012, the Company:

- i) granted 2,250,000 stock options resulting in share-based payment of \$160,925.
- ii) granted 250,000 stock options to Ubika Corporation for investor relations services with a fair value calculated using Black-Scholes option pricing model for \$17,363, of which \$15,135 was recorded as share-based payment expense during the period ended January 31, 2012.
- iii) re-priced the exercise price of 2,450,000 options resulting in an incremental fair value of \$14,141. The original exercise prices were \$0.15 to \$0.17.
- iv) recorded share-based payment expense of \$1,821 for options granted in the prior year which vested during the period.

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13. RESERVES (cont'd...)

a) Options (cont'd...)

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in underlying assumptions can materially affect the fair value estimates. The following weighted average assumptions were used for the Black-Scholes valuation of options granted during the year:

	Granted January 31, 2013	Granted January 31, 2012	Re-priced January 31, 2012
Share price	\$0.10	\$0.08	\$0.08
Risk-free interest rate	1.36%	1.5%	1.24%
Expected life of options	5 years	4.94 years	2.19 years
Annualized volatility based on historical volatility	141.31%	147.95%	113.67%
Dividend rate	0.00%	0.00%	0.00%
Forfeiture rate	0.00%	0.00%	0.00%
Fair value per option	\$0.09	\$0.07	\$0.01

A continuity of share purchase options for the period ended January 31, 2013 is as follows:

Expiry date	Exercise price	April 30, 2012	Granted	Expired / Forfeited	January 31, 2013	Exercisable
June 8, 2012	\$ 0.95	150,000	-	(150,000)	-	-
June 11, 2012	1.00	150,000	-	(150,000)	-	-
March 4, 2013 (expired subsequent)	0.10	550,000	-	-	550,000	550,000
June 10, 2013	0.15	200,000	-	-	200,000	200,000
September 30, 2014	0.16	250,000	-	-	250,000	250,000
September 30, 2014	0.10	900,000	-	-	900,000	900,000
November 17, 2014	0.10	600,000	-	-	600,000	600,000
December 31, 2015	0.10	3,100,000	-	-	3,100,000	3,100,000
August 9, 2016	0.10	2,500,000	-	(250,000)	2,250,000	2,250,000
September 25, 2017	0.10	-	600,000	-	600,000	600,000
December 4, 2017	0.12	-	500,000	-	500,000	500,000
Total		8,400,000	1,100,000	(550,000)	8,950,000	8,950,000
Weighted average exercise price		0.13	0.11	0.58	0.10	0.10
Weighted average remaining life of options outstanding					2.61 years	

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13. RESERVES (cont'd...)

b) Warrants

A continuity of warrants for the period ended January 31, 2013 is as follows:

Expiry date	Exercise price	April 30, 2012	Granted	Expired	January 31, 2013	Exercisable
July 30, 2012	\$ 0.12	2,516,000	-	(2,516,000)	-	-
August 4, 2012	0.12	1,272,200	-	(1,272,200)	-	-
April 16, 2014 ^{(i), (ii)}	0.14	5,278,000	-	-	5,278,000	5,278,000
December 24, 2013 ^{(iii), (iv)}	0.15	-	5,369,200	-	5,369,200	5,369,200
Total		9,066,200	5,369,200	(3,788,200)	10,647,200	10,647,200
Weighted average exercise price		0.13	0.15	0.12	0.15	0.15

(i) includes 728,000 agent warrants

(ii) if on any 20 consecutive trading days after the issuance of the units, the closing price of the common shares of the Company quoted on the TSX-V exceeds \$0.22, the Company may accelerate the expiry date of the warrants to 30 days after the date on which the Company gives notice to the warrant holder. The Company has not given notice to the warrant holders since the date of issuance.

(iii) Includes 369,200 agent warrants.

(iv) if on any 20 consecutive trading days after the issuance of the units, the closing price of the common shares of the Company quoted on the TSX-V exceeds \$0.25, the Company may accelerate the expiry date of the warrants to 30 days after the date on which the Company gives notice to the warrant holder. The Company has not given notice to the warrant holders since the date of issuance.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted during the period:

	January 31, 2013	January 31, 2012
Share price	\$0.14	\$0.08
Risk-free interest rate	1.12%	1.39%
Expected life of warrants	1 year	1 year
Annualized volatility based on historical volatility	80.91%	84.22%
Dividend rate	0.00%	0.00%
Fair value per warrant	\$0.03	\$0.01

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company had the following significant non-cash transactions:

During the period ended January 31, 2013, the Company:

- i) incurred equipment costs of \$17,782 included in accounts payable and accrued liabilities.
- ii) issued 200,000 shares with a fair value of \$20,000 for debt.
- iii) issued 50,049 shares with a fair market value of \$5,468 as part of the annual payment due under a mineral lease

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14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)

iv) received 170,068 shares of Spruce Ridge with a value of \$25,000 as part of an option payment on the Fletcher Junction property.

The Company did not have any significant non-cash transactions during the period ended January 31, 2012.

15. COMMITMENTS

The Company has the following commitments:

- a) The Company has entered into a lease agreement for premises expiring on November 30, 2014. Lease commitments are US\$4,630 per month for the first year, and US\$4,769 per month for the second year.
- b) The Company has various commitments relating to its exploration and evaluation assets as disclosed in Note 7.

16. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration and development of resource properties. Geographic information is as follows:

	January 31, 2013	April 30, 2012
Non-current assets:		
United States		
Equipment	\$ 126,811	\$ 162,440
Exploration and evaluation assets	<u>6,349,553</u>	<u>6,002,903</u>
	<u>\$ 6,476,364</u>	<u>\$ 6,165,343</u>
Project management and consulting revenue:		
United States	\$ 167,679	\$ 543,535

17. LOANS RECEIVABLE

Loans receivable at January 31, 2013 consists of \$9,500 (April 30, 2012 - \$9,052) receivable from a former employee of the Company. The unsecured loan is due on demand and bears interest at 5% per annum.

18. KEY MANAGEMENT COMPENSATION

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly including any director (whether executive or otherwise) of the Company. The Company's key management personnel include the following: Chief Executive Officer, Chief Operating Officer, and Vice President of Corporate Development.

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18. KEY MANAGEMENT COMPENSATION (cont'd...)

Remuneration of key management of the Company was as follows:

	Nine Months Ended January 31, 2013	Nine Months Ended January 31, 2012
Salaries and benefits	\$ 256,320	\$ 255,719
Share-based payment *	-	14,300
	<u>\$ 256,320</u>	<u>\$ 270,019</u>

* Share-based payment is the fair value of options granted and vested to key management personnel.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of the current condensed consolidated interim financial statements, with no effect on loss and comprehensive loss for the comparative period.