



CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JANUARY 31, 2013 AND 2012

NOTICE TO READER

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

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

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

WABI EXPLORATION INC.
Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	January 31, 2013 \$	April 30, 2012 \$
ASSETS		
CURRENT		
Cash (Note 12)	585	26,288
Amounts receivable (Note 4)	1,623	2,543
Prepaid expenses	-	607
TOTAL CURRENT	2,208	29,438
Equipment (Note 7)	670	1,072
Exploration and evaluation property (Note 6)	24,000	24,000
TOTAL	26,878	54,510
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	91,651	73,251
Advance from related party	7,000	-
Convertible debenture (Note 8)	-	63,303
TOTAL CURRENT	98,651	136,554
CONVERTIBLE DEBENTURE (Note 8)	65,000	-
TOTAL	163,651	136,554
SHAREHOLDERS' DEFICIENCY		
CAPITAL STOCK (Note 9(b))	2,251,464	2,251,464
EQUITY PORTION OF CONVERTIBLE DEBENTURE (Note 8)	6,539	6,539
SHARE-BASED PAYMENTS RESERVE (Note 10)	91,243	107,003
DEFICIT	(2,486,019)	(2,447,050)
TOTAL SHAREHOLDERS' DEFICIENCY	(136,773)	(82,044)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	26,878	54,510

GOING CONCERN (Note 1)
SUBSEQUENT EVENT (Note 15)
CONTINGENCIES (Note 14)

APPROVED ON BEHALF OF THE BOARD:

Signed, "Andrew McQuire" Director

Signed, "James Brady" Director

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

For the periods ended January 31,	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	\$	\$	\$	\$
EXPENSES				
Exploration expenditures				
Geology	-	-	-	12,486
Technical consulting	-	-	-	18,533
Program planning and reports	-	-	-	10,713
Lab work	-	-	-	686
Licences and permits	-	-	9,005	120
	-	-	9,005	42,538
General and administrative expenses				
Professional fees	1,155	1,520	19,966	30,627
Office and general	2,500	5,725	9,008	33,871
Shareholder relations	3,038	2,746	14,550	31,272
Accretion expense	-	-	1,697	-
Amortization	134	134	402	402
Interest and bank charges	32	22	101	155
	6,859	10,147	45,724	96,327
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	6,859	10,147	54,729	138,865
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of shares outstanding - basic and diluted	19,033,699	18,840,116	19,033,699	18,314,754

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the periods ended January 31,	2013 \$	2012 \$
Operating activities:		
Net loss for the period	(54,729)	(138,865)
Non-cash items included in net loss:		
Accretion expense	1,697	-
Amortization	402	402
Net change in non-cash working capital balances:		
Amounts receivable	920	(3,067)
Prepaid expenses	607	785
Accounts payable and accrued liabilities	18,400	28,371
Cash used in operating activities	(32,703)	(112,374)
Financing activities:		
Proceeds from private placement	-	100,000
Advance from related party	7,000	(34,508)
Issuance of convertible debt	-	65,000
Cash provided by financing activities	7,000	130,492
(Decrease) increase in cash	(25,703)	18,118
Cash, beginning of period	26,288	22,235
Cash, end of period	585	40,353
Supplemental Information:		
Interest paid	-	-
Taxes paid	-	-

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock \$	Equity Portion of Convertible Debenture \$	Share-based Payments Reserve \$	Shares to be issued \$	Retained Earnings (Deficit) \$	Total Equity \$
Balance May 1, 2011	16,340,116	2,135,964	-	94,503	25,000	(2,283,947)	(28,480)
Net Loss After Tax	-	-	-	-	-	(138,865)	(138,865)
Private placement-common shares issued	2,500,000	125,000	-	-	(25,000)	-	100,000
Private placement-warrants issued	-	(12,500)	-	12,500	-	-	-
Balance January 31, 2012	18,840,116	2,248,464	-	107,003	-	(2,422,812)	(67,345)
Net Loss After Tax	-	-	-	-	-	(24,238)	(24,238)
Shares issued for property	200,000	3,000	-	-	-	-	3,000
Cancellation of shares (Note 9(b)(ii))	(6,417)	-	-	-	-	-	-
Issuance of convertible debenture	-	-	6,539	-	-	-	6,539
Balance April 30, 2012	19,033,699	2,251,464	6,539	107,003	-	(2,447,050)	(82,044)
Net Loss After Tax	-	-	-	-	-	(54,729)	(54,729)
Expiry of warrants	-	-	-	(15,760)	-	15,760	-
Balance January 31, 2013	19,033,699	2,251,464	6,539	91,243	-	(2,486,019)	(136,773)

See notes to the accompanying financial statements

WABI EXPLORATION INC.

Notes to the Financial Statements

For the three and nine months ended January 31, 2013 and 2012

1. NATURE OF OPERATIONS AND GOING CONCERN

Wabi Exploration Inc. (the "Company") currently has an interest in an exploration property in Canada. The Company is in the process of exploring and evaluating its interests in resource properties. Substantially all of the Company's efforts are devoted to financing this property. There has been no determination whether the Company's interest in its mineral property contains mineral reserves which are economically recoverable. The Company is incorporated and domiciled in Ontario, Canada. The registered address of the Company and its principal place of business is 1010-130 Adelaide Street West, Toronto, ON M5H 3P5. The Company's shares are listed on the CNSX (Canadian National Stock Exchange).

The business of 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 Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the property 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 the property, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at January 31, 2013, the Company has not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable and ultimately to generate profitable future operations. As at January 31, 2013 the Company had a working capital deficit of \$96,443. These unaudited condensed interim financial statements 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 operations, and at amounts different from those in the accompanying interim financial statements.

2. BASIS OF PRESENTATION

(i) Statement of Compliance

These unaudited condensed interim financial statements ("interim financial statements") of Wabi Exploration Inc. as at and for the three and nine months ended January 31, 2013, have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed.

These interim financial statements of the Company for the periods ended January 31, 2013 and 2012 were approved and authorized for issue by the Board of Directors on March 28, 2012.

(ii) Significant accounting judgements, estimates and assumptions

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

WABI EXPLORATION INC.

Notes to the Unaudited Interim Financial Statements

For the three and nine months ended January 31, 2013 and 2012

(iii) Significant accounting policies

The significant accounting policies applied in these interim financial statements have been prepared following the same accounting policies and methods of computation as the audited annual financial statements for the year ended April 30, 2012.

These interim financial statements were prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in the audited annual financial statements for the year ended April 30, 2012. In addition, these interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after May 1, 2012 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following pronouncements are being assessed to determine their impact on the Company's results and financial position.

IFRS 9 – Financial Instruments: Classification and Measurement

This standard was published in November 2009 and contained requirements for financial assets. Requirements for financial liabilities were added to IFRS 9 in October 2010. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not yet determined the impact of IFRS 9 on its financial statements.

IFRS 10 – Consolidated Financial Statements builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 10 on its financial statements.

IFRS 11 – Joint Arrangements establishes the principles of financial reporting by entities when they have an interest in arrangements that are jointly controlled (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 11 on its financial statements.

IFRS 12 – Disclosure of Interest in Other Entities provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 12 on its financial statements.

IFRS 13 – Fair Value Measurement defines fair value, requires disclosure of fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 13 on its financial statements.

IAS 1 – was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company has not yet determined the impact of the amendments to IAS 1 on its financial statements.

IAS 12 – Income Taxes (“IAS 12”) provides amendments to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured

WABI EXPLORATION INC.
Notes to the Unaudited Interim Financial Statements
For the three and nine months ended January 31, 2013 and 2012

at fair value. IAS 12 is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. The Company has not yet determined the impact of the amendments to IAS 12 on its financial statements.

IAS 28 – Investments in Associates and Joint Ventures revised the existing standards and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures (effective January 1, 2013). The Company has not yet determined the impact of the amendments to IAS 28 on its financial statements.

IAS 32 – Financial instruments, Presentation

In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company has not yet determined the impact of IAS 32 on its interim consolidated financial statements.

4. AMOUNTS RECEIVABLE

	January 31, 2013	April 30, 2012
Sales tax receivable	\$ 1,623	\$ 2,543

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2013	April 30, 2012
Accounts payable and accrued liabilities	\$ 91,651	\$ 73,251

6. EXPLORATION AND EVALUATION PROPERTY

	Balance at April 30, 2012	Acquisition costs	Balance at January 31, 2013
Option payments – cash	\$ 15,000	\$ -	\$ 15,000
Option payments – common shares	9,000	-	9,000
	\$ 24,000	\$ -	\$ 24,000

	Balance at May 1, 2011	Acquisition costs	Balance at April 30, 2012
Option payments – cash	\$ 15,000	\$ -	\$ 15,000
Option payments – common shares	6,000	3,000	9,000
	\$ 21,000	\$ 3,000	\$ 24,000

In December 2010, the Company entered into an agreement with a director of the Company to acquire gold and base metal unpatented mineral exploration claims in the Snow Lake Area of Manitoba. Pursuant to the terms of the agreement, the Company has earned a 100% interest in these unpatented mining claims by making a cash payment of \$15,000 (paid), by issuing 200,000 common shares (issued, valued at \$6,000 based on calculated market value of the Company's common shares at the date of issuance) and by issuing an additional 200,000 common shares on or before March 15, 2012 (issued, valued at \$3,000 based on calculated market value of the Company's common shares at the date of issuance).

The property is subject to a Net Smelter Royalty (“NSR”) of 2%.

WABI EXPLORATION INC.
Notes to the Unaudited Interim Financial Statements
For the three and nine months ended January 31, 2013 and 2012

7. EQUIPMENT

	Computers
Gross carrying amount	
Balance at May 1, 2011	\$ -
Additions	1,608
Balance at April 30, 2012 and January 31, 2013	<u>\$ 1,608</u>
Accumulated amortization and impairment	
Balance at May 1, 2011	\$ -
Amortization	536
Balance at April 30, 2012	536
Amortization	402
Balance at January 31, 2013	<u>938</u>
Carrying amount, April 30, 2012	<u>\$ 1,072</u>
Carrying amount, January 31, 2013	<u>\$ 670</u>

8. CONVERTIBLE DEBENTURE

A director and officer of the Company, from time to time, advances funds to the Company for working capital needs. In August 2011, the Company repaid an amount owing of \$34,508 to the director and officer, who then advanced the Company an additional \$65,000 in the form of a convertible debenture. The debenture is convertible into common shares of the Company at a price of \$0.05 per common share, was originally due August 3, 2012, is unsecured and bears interest at 1% per annum. In August 2012, the director and officer opted to extend the terms of repayment of the debenture for one year. The debenture is now due August 3, 2013.

The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being accreted over the term of the debenture utilizing the effective interest rate method at a 12.3% discount rate. An amount of \$1,697 was recorded as accretion expense on the statement of operations and comprehensive loss for the nine months ended January 31, 2013 (2012 - \$nil).

During the period ended January 31, 2013, the director and officer of the Company advanced \$7,000 to the Company to cover working capital needs.

9. CAPITAL STOCK

(a) As at January 31, 2013 and April 30, 2012, the Company's authorized number of common shares was unlimited without par value.

(b) **Common Shares**

Issued	Shares	Amount
	#	\$
19,033,699 Common Shares		
Balance, May 1, 2011	16,340,116	2,135,964
Units issued in private placement (i)	2,500,000	125,000
Warrants issued in private placement (Note 10(i))	-	(12,500)
Shares issued for option payment (Note 6)	200,000	3,000
Adjustment (ii)	(6,417)	-
Balance, April 30, 2012 and January 31, 2013	<u>19,033,699</u>	<u>2,251,464</u>

WABI EXPLORATION INC.

Notes to the Unaudited Interim Financial Statements

For the three and nine months ended January 31, 2013 and 2012

- (i) On June 22, 2011, the Company announced the completion of a private placement through the issuance of 2,500,000 units at a price of \$0.05 per unit for gross proceeds of \$125,000. A director and officer of the Company subscribed for 500,000 units under this financing. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrants at an exercise price of \$0.15 per share.
- (ii) On May 31, 2011, the Company completed a share consolidation of one common share for every 100 shares outstanding. On June 1, 2011, immediately following the share consolidation, the Company completed a share split of 100 common shares for every one common share outstanding. In connection with the share consolidation, 6,417 common shares were cancelled. The share consolidation and split was done to eliminate fractional shares and all shareholdings of less than 100 shares. Shareholders who held 100 shares or more at the time of the transaction experienced no change in the number of shares they held after the transaction was completed. This transaction was approved by the shareholders of the Company at its annual and special meeting of shareholders held on May 18, 2011.
- (iii) On August 9, 2011, the Company received approval of its application to list its common shares on the Canadian National Stock Exchange ("CNSX"). Effective August 11, 2011, the Company's common shares began trading on the CNSX under the trading symbol "WAB".

10. SHARE-BASED PAYMENTS RESERVE

	Number of Options	Weighted Average Exercise Price	Value of Options	Number of Warrants	Weighted Average Exercise Price	Value of Warrants	Total Value
Balance May 1, 2011	500,000	\$ 0.10	\$ 5,000	8,803,604	0.07	\$ 89,503	\$ 94,503
Granted	-	-	-	1,250,000	0.15	12,500	12,500
Balance April 30, 2012	500,000	\$ 0.10	\$ 5,000	10,053,604	0.08	\$102,003	\$107,003
Expired	-	-	-	(5,000,000)	(0.05)	(15,760)	(15,760)
Balance January 31, 2013	500,000	\$ 0.10	\$ 5,000	5,053,604	0.11	86,243	\$ 91,243

Warrants

- (i) Pursuant to the issuance of 2,500,000 units at \$0.05 per unit in connection with the private placement (Note 9(b)(i)), the Company issued 1,250,000 warrants. The fair value of the warrants was estimated to be \$12,500, using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.8% on the date of issue, an expected life of 2 years, an expected volatility of 95% and expected dividends of \$Nil. The warrants expire on June 20, 2013.

Summary of warrants and broker warrants outstanding at January 31, 2013:

Number of Warrants	Weighted Average Exercise Price	Estimated Grant Date Fair Value	Expiry Date
	\$	\$	
3,803,604	0.10	73,743	October 28, 2015
1,250,000	0.15	12,500	June 20, 2013
5,053,604	0.08	86,243	

During the period ended January 31, 2013, 5,000,000 warrants with a weighted average exercise price of \$0.05 expired unexercised.

WABI EXPLORATION INC.
Notes to the Unaudited Interim Financial Statements
For the three and nine months ended January 31, 2013 and 2012

Options

- (ii) The Company's Stock Option Plan ("the Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options.

Options to purchase common shares outstanding at January 31, 2013 carry exercise prices and remaining terms to maturity as follows:

Number of Options	Options exercisable	Weighted Average Exercise Price \$	Fair value at grant date	Expiry Date	Contractual Remaining Life (Years)
500,000	500,000	0.10	\$5,000	October 29, 2013	0.74

The grant date fair value of the options was estimated, using the Black-Scholes option pricing model, with the following assumptions: a risk-free interest rate of 2.80% on the date of issue, an expected life of 3 years, a volatility of 107% and dividend yield of 0%.

11. CAPITAL MANAGEMENT

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 evaluation of its properties. The capital of the Company consists of shareholder's loan, capital stock and share-based payments reserve. 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 property in which the Company currently has an interest is in the exploration 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. 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.

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 the periods ended January 31, 2013 or 2012. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3 to the Audited Financial Statements for the years ended April 30, 2012 and 2012.

Financial assets and liabilities as at January 31, 2013 and April 30, 2012 were as follows:

WABI EXPLORATION INC.

Notes to the Unaudited Interim Financial Statements

For the three and nine months ended January 31, 2013 and 2012

	Cash, loans and receivables	Other liabilities	Total
	\$	\$	\$
January 31, 2013			
Cash	585	-	585
Accounts payable and accrued liabilities	-	(91,651)	(91,651)
Advance from related party	-	(7,000)	(7,000)
Convertible debenture	-	(65,000)	(65,000)
	585	(163,651)	(163,066)
April 30, 2012			
Cash	26,288	-	26,288
Accounts payable and accrued liabilities	-	(73,251)	(73,251)
Shareholder's loan	-	(63,303)	(63,303)
	26,288	(136,554)	(110,266)

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures during the periods ended January 31, 2013 and 2012.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2013, the Company had cash of \$585 (April 30, 2012 - \$26,288) to settle current liabilities of \$98,651 (April 30, 2012 - \$136,554).

Market Risk

(a) Interest rate risk

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. Management considers interest rate risk to be minimal given that, as at January 31, 2013, no amounts were held in short-term deposit certificates.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not currently a revenue producing entity.

WABI EXPLORATION INC.
Notes to the Unaudited Interim Financial Statements
For the three and nine months ended January 31, 2013 and 2012

Fair value

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, and accounts payable and accruals on the balance sheet approximate fair value because of the limited term of the instruments. It is not possible to determine if the shareholder's loan is at fair value as there is no comparable market value for such a loan.

At January 31, 2013, the Company had no financial instruments that are carried at fair value.

13. RELATED PARTY DISCLOSURES

During the period, the Company entered into the following transactions in the ordinary course of business with related parties of the Company:

	<u>31-Jan-13</u>	<u>30-Apr-12</u>
Convertible debenture	\$ 65,000	\$ 63,303
Advance from related party	\$ 7,000	\$ -
Officers and directors	\$ 67,059	\$ 60,095

The convertible debenture is owed to a director of the Company and is convertible into common shares of the Company at a price of \$0.05 per common share, is due August 3, 2013, is unsecured and bears interest at 1% per annum (Note 8).

The amount advanced from related party relates to a loan from a director and officer of the Company which is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.

Included in accounts payable and accrued liabilities at January 31, 2013 was an amount of \$565 (April 30, 2012 - \$565) owing to an officer of the Company for management services rendered; also included at January 31, 2013 is an amount of \$66,494 (April 30, 2012 - \$60,095) for legal services rendered by a lawyer who also acts as the Company's Corporate Secretary.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the period was as follows:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>January 31,</u>		<u>January 31,</u>	
	2013	2012	2013	2012
Salaries including bonuses	\$ 2,500	\$ 4,500	\$ 8,500	\$ 25,075
Share-based payments	-	-	-	-
Total remuneration	\$ 2,500	\$ 4,500	\$ 8,500	\$ 25,075

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.

See Notes 6, 8 and 9 for additional disclosures regarding transactions with related parties.

WABI EXPLORATION INC.

Notes to the Unaudited Interim Financial Statements

For the three and nine months ended January 31, 2013 and 2012

14. ENVIRONMENTAL CONTINGENCIES

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and 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.

15. SUBSEQUENT EVENTS

- i) Subsequent to the period ended January 31, 2013, an officer and director of the Company advanced \$4,000 to the Company to cover working capital needs. The amount is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.