FORM 2A

LISTING STATEMENT

This Listing Statement must be used for all initial applications for listing and for Issuers resulting from a fundamental change. CNSX requires prospectus level disclosure in the Listing Statement (other than certain financial disclosure and interim Management's Discussion and Analysis) and can require that the Issuer include additional disclosure.

General Instructions

(a) Please prepare this Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) In this form, the term “Issuer” includes the applicant Issuer and any of its subsidiaries.

(c) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(d) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation.

(e) For Issuers that are re-qualifying for listing following a fundamental change, provide historic and current details on

(i) the Issuer

(ii) all other companies or businesses that are involved in the fundamental change (the “target”); and

(iii) the entity that will result from the fundamental change (the "New Issuer").

Information concerning the Issuer that was contained in the most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of the information in the prior statement has changed (e.g. describing a business that will no longer be undertaken by the New Issuer). Information concerning assets or lines of business of the target that will not be part of the New Issuer's business should not be included.

(f) This listing statement provides prospectus-level disclosure. It will be amended from time to time to reflect any changes to the prospectus disclosure requirements. If changed, the new form is to be used for the next listing statement the Issuer is required to file. The Issuer does not have to amend a listing statement currently on file to reflect any new disclosure requirements.

1. Table of Contents

1.1 Include a table of contents with the following headings:

PLEASE REFER TO APPENDIX C – GLOSSARY OF TERMS FOR DEFINITIONS OF ALL CAPITALIZED TERMS THAT ARE NOT OTHERWISE DEFINED HEREIN.

2. Corporate Structure

2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.

Cartier Iron Corporation (formerly Northfield Metals Inc.) ("Cartier", "the "Company" or the "Issuer") has its registered and head office at:

20 Adelaide Street East, Suite 301
Toronto, Ontario M5C 2T6

2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the Issuer.

The Company was incorporated on November 1, 1985 under the *Business Corporations Act* (Ontario) under the name Northfield Minerals Inc. On June 25, 1986 by Articles of Amendment the rights, privileges, restrictions and conditions with respect to the Class A Preferred Shares (as defined hereinafter) were amended. The Company's name was changed on July 23, 1999 to Northfield Inc. and to Northfield Metals Inc. on October 13, 2006 when a consolidation of the Common Shares (as defined hereinafter) was also effected. Effective May 4, 2012, the Company consolidated again its Common Shares on the basis of four old shares for one new share. Effective January 16, 2013, the Company changed its name to Cartier Iron Corporation.

2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state

(a) the percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by the Issuer;

(b) the place of incorporation or continuance; and

(c) the percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by the Issuer.

There are no subsidiaries or other companies controlled by the Issuer

2.4 If the issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction..

The Issuer is not proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

Not applicable.

3. General Development of the Business

3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

The Company is a reporting issuer; however, its Common Shares have not been listed for trading on any exchange since the Company voluntarily requested that its shares be delisted from the Toronto Stock Exchange in August 2002.

The Company is a Canadian-based mineral exploration company that is engaged in the acquisition, exploration and development of mineral resource properties. Due to the economic climate, the Company has been relatively inactive over the past three years.

On July 5, 2012, the Company acquired Borel River Property located near the western shores of Ungava Bay in northern Quebec and comprises 108 claims covering 4,459.21 hectares (44.6km^2).

On September 28, 2012, the Company entered into an option agreement to acquire a 65% interest in seven (7) iron-rich mineral concessions (the "Gagnon Holdings Properties") totalling 200.24 km^2 in the southern Labrador Trough, Fermont Iron Ore District, of north-eastern Quebec. The transaction represents the Company's second acquisition of strategic iron-mineral concessions in Quebec, after the acquisition of the

Borel River Property. This transaction was advanced by the signing of a definitive option and joint venture agreement on December 10, 2012.

The continued operations of the Company is dependent upon the ability of the Company to identify and acquire mineral resource properties, to obtain financing to acquire and complete the exploration and development of those mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of mineral resource properties.

3.2 Disclose:

(1) (a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and

(b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus.

(2) Under paragraph (1) include particulars of

(a) the nature of the assets acquired or disposed of or to be acquired or disposed of;

(b) the actual or proposed date of each significant acquisition or significant disposition;

(c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;

(d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;

(e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;

(f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation, a directive of a Canadian securities regulatory authority, or a requirement of a Canadian stock exchange or other Canadian market to support the value of the

consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets; and

(g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

The Company was successful in acquiring the following mineral properties:

Borel River Property

On July 5, 2012, the Company acquired a 100% interest in the Borel River iron exploration property which consists of 108 claims covering an area of 4,459 hectares situated in the western shore of Ungava Bay in northern Quebec, subject to the vendor retaining a 2% royalty. In order to acquire its interest, the Company paid $25,000 and issued 500,000 Common Shares with a fair value of $100,000. The Company has the right of first refusal on the sale of the royalty and has the option to reduce the royalty from 2% to 1% by making a payment of $1,000,000. The purchase agreement further stipulates that should the Company not complete a listing of its Common Shares on a Canadian stock exchange on or before December 31, 2012, the Company shall pay to the vendor $5,000 on the first day of January 2013 and a further $5,000 on the first day of each month thereafter until its Common Shares are listed or the agreement may be terminated upon 30 days written notice given by either the Company or the vendor. See *"Borel River Property"* below for detailed information concerning the Borel River Property.

Gagnon Holdings Properties

On December 10, 2012, the Company signed the formal option and joint venture agreement with Champion Iron Mines Limited. Pursuant to this agreement the Company can earn a 65% interest in the Gagnon Holdings Properties at the Company's option by expending $6,000,000 in staged exploration and development work expenditures on the Gagnon Holdings Properties, making cash payments to the vendor totaling $1,000,000 and issuing 2,500,000 Common Shares to the vendor within a four-year period. Of the cash payment, $100,000 is payable on conditional approval of the listing of the Company's Common Shares on a Canadian stock exchange, then $150,000 is payable on the first anniversary of signing the formal agreement and $250,000 on each of the second, third and fourth anniversaries of signing the formal agreement. The Common Shares are issuable: 1,000,000 Common Shares were issued on signing the formal option and joint venture agreement and 500,000 Common Shares are

issuable on each of the first, second and third anniversaries of signing the formal agreement. The exploration work commitment is $500,000 on or before the second anniversary of signing the formal agreement, an additional $750,000 on or before the second anniversary of signing the formal agreement and a further $4,750,000 on or before the fourth anniversary of signing the formal agreement

After the Company completes its earn-in, the vendor and the Company will form a joint venture reflective of their proportionate ownership interests in the Gagnon Holdings Properties in order to explore and develop the retained mineral concessions. The Company will retain a right of first refusal on any part or all of the vendor's proportionate interest in each of the mineral concessions comprising the Gagnon Holdings Properties. There is also a 10 km area of interest around each mineral concession in respect of which any claims or other properties acquired by either party within that area must be included in the option or made available to the joint venture, as the case may be. In the event that a joint venture party's interest is diluted below 10% it will be converted to a 1% royalty, half of which may be purchased for $3,000,000.

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

See Risk Factors below.

4. Narrative Description of the Business

4.1 General

(1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:

(a) state the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

As Borel River Property, the Company's principal property, is in the exploration stage, the Company anticipates becoming much more active in developing the Borel River Property in the upcoming year.

Also, the Company intends to fulfill its property obligations on Gagnon Holdings Properties pursuant to the option agreement.

(b) describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

Management believes that the Company's working capital following the completion on December 10, 2012 and October 22, 2012 and December 31, 2012 private placements, together with other financing initiatives planned for January 2013, will be sufficient to allow the Company to conduct its business for a period of 12 months from the date hereof.

It is also anticipated that listing of the Company's Common Shares on a Canadian stock exchange will be instrumental in pursuing the above-noted objectives.

(c) disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement; and

As of January 16 2013, the Company's estimated working capital was $875,000.

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

The Company finalized a two-tranche private placement of Common Shares and raised the aggregate amount of $606,000 on October 22, 2012. On December 10, 2012 the Company completed a further $500,000 private placement. On December 31, 2012 the Company completed a further $225,000 private placement.

(d) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

The Company intends to use the available funds raised from the recent private placement as follows:

- **work program on Borel River Property - $350,000**

- **property obligations on Gagnon Holdings Properties - $200,000**

- **general and administrative expenses - $175,000**

(2) For principal products or services describe:

(a) the methods of their distribution and their principal markets;

(b) as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from

(i) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method,

(ii) sales to customers, other than those referred to in clause (i), outside the consolidated entity,

(iii) sales or transfers to controlling shareholders; and

(iv) sales or transfers to investees.

(c) if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,

(i) the timing and stage of research and development programs,

(ii) the major components of the proposed programs, including an estimate of anticipated costs,

(iii) whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

(iv) the additional steps required to reach commercial production and an estimate of costs and timing.

The Issuer currently has no production or sales. Its business is mineral exploration.

(3) Concerning production and sales, disclose:

(a) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;

(b) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;

(c) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;

(d) the sources, pricing and availability of raw materials, component parts or finished products;

(e) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;

(f) the extent to which the business of the segment is cyclical or seasonal;

(g) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;

(h) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;

(i) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant;

(j) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations.

(k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;

(l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

The Issuer currently has no production or sales. Its business is mineral exploration.

(4) Describe the competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.

See Risk Factors below.

(5) With respect to lending operations of an Issuer's business, describe the investment policies and lending and investment restrictions.

Not applicable.

(6) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

Not applicable.

(7) Disclose the nature and results of any material restructuring transaction of the Issuer within the three most recently completed financial years or completed during or proposed for the current financial year.

Not applicable.

(8) If the Issuer has implemented social or environmental policies that are fundamental to the Issuer's operations, such as policies regarding the Issuer's relationship with the environment or with the communities in which the Issuer does business, or human rights policies, describe them and the steps the Issuer has taken to implement them.

Instructions:

(1) The Issuer's stated business objectives must not include any prospective financial information with respect to sales, whether expressed in terms of dollars or units, unless the information is derived from future-oriented financial information issued in accordance with National Instrument 51-102 Continuous Disclosure Obligations or any successor instrument and is included in the Listing Statement.

(2) Where sales performance is considered to be an important objective, it must be stated in general terms. For example, the Issuer may state that it anticipates generating sufficient cash flow from sales to pay its operating cost for a specified period.

Not applicable.

Companies with Asset-backed Securities Outstanding

4.2 In respect of any outstanding asset-backed securities, disclose the following information"

(1) Payment Factors - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.

(2) Underlying Pool of Assets - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, information on the pool of financial assets servicing the asset-backed securities relating to

(a) the composition of the pool as of the end of each financial year or partial period;

(b) income and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

(c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

(d) servicing and other administrative fees; and

(e) any significant variances experienced in the matters referred to in paragraphs (a), (b), (c), or (d).

(3) Investment Parameters - The investment parameters applicable to investments of any cash flow surpluses.

(4) Payment History - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.

(5) Acceleration Event - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.

(6) Principal Obligors - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the pool of financial assets servicing the asset-backed securities represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K, Form 10-KSB or Form 20F in the United States.

Not applicable.

4.3 For Issuers with a mineral project, disclose and insert here the information required by Appendix A for each property material to the Issuer.

At this time, the principal property of the Issuer is Borel River Property.

Borel River Property

A technical report on the Borel River Property dated August 30, 2012 has been prepared by Mr. Peter Banks, P.Geo. The Technical Report was filed on SEDAR on ●, 2012 and is available at www.sedar.com under the Company's profile. Portions thereof are incorporated by reference herein to this Listing Statement.

The author, Mr. Peter Banks (P.Geo.), of Saint John New Brunswick was retained on July 2nd 2012 by Cartier to prepare a technical report in accordance with National Instrument (NI) 43-101 on its wholly-owned Borel River Property (the "Property"), located within National Topographic System (NTS) Map Sheet 24-N/05 and 24-N/12, and to recommend an exploration program for iron formation underlying the Property.

Cartier acquired its 100% right, title and interest in the Borel River Property on July 5, 2012 with the payment of $25,000 and the issuance to P.A. Bigué, of Val-d'Or, Quebec (the "Vendor") of 500,000 Common Shares of Cartier, which are subject to a standard regulatory 4-month hold period. The Vendor retains a 2% Net Smelter Return royalty; however, Northfield has the option to reduce this royalty from 2% to 1% by paying the Vendor $1,000,000 and also has a right of first refusal on the royalty.

The purpose of the Technical Report is to provide an independent technical report on the Borel River Property prepared in accordance with NI 43-101 to support the listing of Cartier on the Stock Exchange. The

Technical Report will be filed on the System for Electronic Document Analysis and Retrieval (SEDAR), as required under applicable securities regulations.

The Borel River Property, which is in the Koksoak River (Unorganized) Territory of northern Quebec, near the western shore of Ungava Bay, comprises 108 contiguous mineral claims, and covers a surface area of approximately 4459.21 hectares (44.6 km^2).

The Property is underlain by approximately 20 kilometres of a north-south trending iron formation between the Morgan Lake and Hopes Advance property holdings of Oceanic Iron Ore Corp. The iron formation in this northern-most part of the Labrador Trough, which is classified as a stratiform Lake Superior-type iron formation, comprises magnetite-specular hematite schist containing recrystallized, granular quartz with fine, platy specular hematite and bands of carbonate and grunerite. Deformation and metamorphism of the principal iron formation unit, the Sokoman Formation, has structurally thickened the iron formation locally and recrystallized the rock.

The Technical Report, which was prepared in accordance with NI 43-101 regulations, provides details of the airborne geophysical magnetic-intensity response survey (the "Airborne Survey") that was completed on the Property from July 26th to 28th of 2012. The Airborne Survey outlined a strong, linear, magnetic signature, coincident with ground exposures of iron formation, over a 16-km long, north-south trending zone. Available geological data pertaining to the Borel River Property suggests that an iron formation underlies the claim block. The true grade and amount of iron mineralization and whether the Property could support a commercial mine have yet to be determined, but, based on the Airborne Survey, there is potential for a large deposit. There are no listed mineral showings on the Property, and no historical reserves have been published. Results from the Airborne Survey will be submitted to the Provincial Government for assessment-work credits.

There has been no significant previous exploration work performed on the Borel River Property, and other than the recently completed Airborne Survey, there is no exploration, development nor operations currently underway on the Property. Although several highly metamorphosed, magnetite-specularite iron deposits are known to exist in the vicinity of the Property, none are documented on the Property itself and no mineral resource or mineral reserve estimates have been prepared for the Property.

The data from the Airborne Survey will be analyzed alongside other geological data in order to better determine the areas most favourable for further exploration by ground work and diamond-drilling.

The Author is of the opinion that the iron formation identified at the Borel River Property warrants further investigation to define its surface distribution, extent, petrology, mineralogy, metallurgical characteristics, and three dimensional (sub-surface) geometry in order to properly determine the full potential of the iron mineralization on the Property.

The following two-phase exploration programme is recommended:

Phase I

- **a proposal to re-classify the wedge of Category I lands that overlaps the iron formation, approximately 4 km south of the Borel River, to Category II land, should be tabled with the local First Nations peoples and the Provincial Government;**

- **systematic field mapping and sampling of bedrock exposures, with particular emphasis on the Sokoman (iron) Formation;**

- **channel-cutting and sampling - perpendicular to strike - of the two prominent ridges south of Borel River to obtain baseline iron-content assays across the exposed iron formation;**

- **selection of representative samples from the various Sokoman Formation Members for whole-rock analysis in order determine levels of elements deleterious to iron beneficiation processes (i.e., silica, amphibole, aluminium, sulphur), and;**

- **a short (with respect to line-length), ground gravimetric survey north of the Borel River to determine whether the low-magnetic response of the area is coincident with a high gravity response.**

Phase II

- **a 3,500 metre diamond-drilling program, with on-strike centres spaced at approximately 600 m, to support the interpretation of the sub-surface geometry and extent, of the iron-formation, and;**

- **integration of the drill-hole data into a 3-D Gemcom® model in preparation for a Mineral Resource Estimate prepared in accordance with NI 43-101.**

Although the cost of Phase II is largely dependent on Phase I, the overall budget (Phase I and Phase II is estimated at $3.1 million (including 15% for contingencies). Phase I is budgeted at $516,580. Phase II is budgeted at $2,624,300 and is conditional on positive results from Phase I.

4.4 Issuers with Oil and Gas Operations disclose and insert here the information required by Appendix B (in tabular form, if appropriate).

Not applicable.

5. Selected Consolidated Financial Information

5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:

(a) net sales or total revenues;

(b) income from continuing operations, in total and on a per share basis and fully diluted per share basis, calculated in accordance with the Handbook;

(c) net income or loss, in total and on a per share and fully diluted per share basis, calculated in accordance with the Handbook;

(d) total assets;

(e) total long-term financial liabilities as defined in the Handbook;

(f) cash dividends declared per share for each class of share; and

(g) such other information as would enhance an investor's understanding of the Issuer's financial condition and results of operations and would highlight other trends in financial condition and results of operations.

The select annual financial information of the Company is set out below:

	Period Ended September 30, 2012	**Period Ended December 31, 2011**	**Period Ended December 31, 2010**	**Period Ended December 31, 2009**
Net Sales or Revenue	0	0	0	0
Income (total)	0	0	0	0
Income (per share)	0	0	0	0
Income (per share fully diluted)	0	0	0	0

	Period Ended September 30, 2012	Period Ended December 31, 2011	Period Ended December 31, 2010	Period Ended December 31, 2009
Net income or loss (total)	$(285,237)	$(344,010)	$(188,471)	$(247,990)
Net income or loss (per share)	($0.05)	$(0.016)	$(0.009)	$(0.011)
Net income or loss (per share fully diluted)	($0.05)	$(0.016)	$(0.009)	$(0.011)
Total assets	$854,850	$163,168	$210,289	$121,481
Total long-term financial liabilities	$1,762,366	$1,417,592	$1,120,702	$843,423
Cash dividends declared per share (common shares)	0	0	0	0

5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (b) of Section 5.1

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Net Sales or Revenue	0	0	0	0	0	0	0	0
Income (total)	0	0	0	0	0	0	0	
Income (per share)	0	0	0	0	0	0	0	0
Income (per share fully diluted)	0	0	0	0	0	0	0	0
Net income or loss (total)	$(33,743)	$(119,519)	$(123,653)	$(67,095)	$7,239	$(59,370)	$(95,833)	$(40,507)
Net income or loss (per share)	$(0.001)	$(0.006)	$(0.006)	$(0.003)	$0	$(0.003)	$(0.004)	$(0.002)
Net income or loss (per share fully	$(0.001)	$(0.006)	$(0.006)	$(0.003)	$0	$(0.003)	$(0.004)	$(0.002)

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
diluted)								

5.3 Dividends – disclose:

(a) any restriction that could prevent the Issuer from paying dividends; and

The Company has never paid a dividend nor made a distribution on any of its securities. Further, the Company may never achieve a level of profitability that would permit payment of dividends or making other forms of distributions to security holders. In any event, given the stage of the Company's development, it will likely be a long period of time before the Company could be in a position to pay dividends or make distributions to its shareholders. Accordingly, an investment in any of the Common Shares is only appropriate for persons with no expectation of return on such investment over the near or medium term and who understand fully the speculative nature of such investment.

(b) the Issuer's dividend policy and, if a decision has been made to change the dividend policy, disclose the intended change in dividend policy.

The payment of any future dividends by the Company will be at the sole discretion of its board of directors. In this regard, the Company expects to retain its earnings to finance further growth.

5.4 Foreign GAAP — An Issuer may present the selected consolidated financial information required in this section on the basis of foreign GAAP if

(a) the Issuer's primary financial statements have been prepared using foreign GAAP; and

(b) if the Issuer is required under applicable securities legislation to have reconciled its financial statements to Canadian GAAP at the time of filing its financial statements or the Issuer has otherwise done so, a cross reference to the notes to the financial statements containing the reconciliation of the financial statements to Canadian GAAP is included.

Not applicable.

6. Management's Discussion and Analysis

<u>Annual MD&A</u>

6.1 Date - Specify the date of the MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for the Issuer's most recently completed financial year.

6.2 Overall Performance - Provide an analysis of the Issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the Issuer's business. Compare the Issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following:

(a) operating segments that are reportable segments as those terms are used in the Handbook;

(b) other parts of the business if

(i) they have a disproportionate effect on revenues, income or cash needs; or

(ii) there are any legal or other restrictions on the flow of funds from one part of the Issuer's business to another;

(c) industry and economic factors affecting the Issuer's performance;

(d) why changes have occurred or expected changes have not occurred in the Issuer's financial condition and results of operations; and

(e) the effect of discontinued operations on current operations.

The annual Management Discussion and Analysis of Northfield for the years ended December 31, 2011 and 2010 are set out in the attached Appendix D.

Selected Annual Financial Information

6.3 Provide the following financial data derived from the Issuer's financial statements for each of the three most recently completed financial years:

(a) net sales or total revenues;

(b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;

(c) net income or loss, in total and on a per-share and diluted per-share basis;

(d) total assets;

(e) total long-term financial liabilities; and

(f) cash dividends declared per-share for each class of share.

The table below provides a summary of selected financial information from Cartier's annual audited financial statements for fiscal years ended December 31, 2011, 2010 and 2009.

	Period Ended December 31, 2011	**Period Ended December 31, 2010**	**Period Ended December 31, 2009**
Net Sales or Total Revenues	$0	$0	$0
Income or Loss before discontinued operations and extraordinary items	$(272,334)	$(266,368	$(283,836)
Income or loss per share (basic and diluted)	$(0.016)	$(0.009)	$(0.011)
Net Income or Loss	$(344,010)	$(188,471)	$(247,990)
Total Assets	$163,168	$210,289	$121,481
Total Long-Term Financial Liabilities	$1,417,592	$1,120,703	$843,423
Cash dividends Declared per-share for each class of share	No dividends declared	No dividends declared	No dividends declared

6.4 Variations - Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the Issuer's business, and any other information the Issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

The Company is in the exploration stage and has no revenue. As at December 31, 2008, the Company had written off its mineral resource properties. Throughout 2011, the Company had a working capital deficit and insufficient funds to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, the Company suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees.

The Company actively sought mineral exploration properties in Canada and sought to raise the necessary equity financing in order to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. As a result, during 2012 the Company acquired the Borel River Property and entered into an option agreement to

acquire a 65% interest in the Gagnon Holdings Properties. Also, the Company raised through private placements the necessary funds in order to finance the above-noted properties.

In previous years, the Company prepared its financial statements in accordance with Canadian general accepted accounting principles ("Canadian GAAP"). The Company adopted the International Financial Reporting Standards ("IFRS") effective January 1, 2011 and the Company's financial statements for the year ended December 31, 2011 and 2010 and statements of financial position as at January 1, 2010 have been prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

6.5 Results of Operations - Discuss management's analysis of the Issuer's operations for the most recently completed financial year, including

(a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;

(b) any other significant factors that caused changes in net sales or total revenues;

(c) cost of sales or gross profit;

(d) for issuers that have significant projects that have not yet generated operating revenue, describe each project, including the Issuer's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;

(e) for resource issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;

(f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;

(g) commitments, events, risks or uncertainties that you reasonably believe will materially affect the Issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;

(h) effect of inflation and specific price changes on the Issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;

(i) a comparison in tabular form of disclosure you previously made about how the Issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the Issuer's ability to achieve its business objectives and milestones; and

(j) unusual or infrequent events or transactions.

The net loss for the year ended December 31, 2011 was $344,010 as compared to a net loss of $188,471 for the same period in 2010. The increase is mostly the result of a decrease in the fair value of marketable securities of $71,676 compared to an increase of $82,294 in the same period in the previous year.

6.6 Summary of Quarterly Results - Provide the following information in summary form, derived from the Issuer's financial statements, for each of the eight most recently completed quarters:

(a) net sales or total revenues;

(b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and

(c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

	September 30, 2012	**June 30, 2012**	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**	**December 31, 2010**
Net Sales or Revenue	0	0	0	0	0	0	0	0
Income (total)	0	0	0	0	0	0	0	0
Income (per share)	0	0	0	0	0	0	0	0
Income	0	0	0	0	0	0	0	0

	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
(per share fully diluted)								
Net income or loss (total)	$(86,141)	$(127,595)	$(71,501)	$(33,743)	$(119,519)	$(123,653)	$(67,095)	$7,239
Net income or loss (per share)	$(0.014)	$(0.024)	$(0.003)	$(0.001)	$(0.006)	$(0.006)	$(0.003)	$0
Net income or loss (per share fully diluted)	$(0.014)	$(0.024)	$(0.003)	$(0.001)	$(0.006)	$(0.006)	$(0.003)	$0

The income for the fourth quarter of 2010 reflects an increase in the fair value of marketable securities of $75,038.

6.7 Liquidity - Provide an analysis of the Issuer's liquidity, including

(a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the Issuer's capacity, to meet the Issuer's planned growth or to fund development activities;

(b) trends or expected fluctuations in the Issuer's liquidity, taking into account demands, commitments, events or uncertainties;

(c) its working capital requirements;

(d) liquidity risks associated with financial instruments;

(e) if the Issuer has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;

(f) balance sheet conditions or income or cash flow items that may affect the Issuer's liquidity;

(g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the Issuer and the effect these restrictions have had or may have on the ability of the Issuer to meet its obligations; and

(h) defaults or arrears or anticipated defaults or arrears on

(i) dividend payments, lease payments, interest or principal payment on debt;

(ii) debt covenants during the most recently completed financial year; and

(iii) redemption or retraction or sinking fund payments,

(i) details on how the Issuer intends to cure the default or arrears.

The Company had a working capital deficit of $1,254,424, which included cash of $1,165 as at December 31, 2011 as compared to a working capital deficit of $910,413 as at the 2010 year end. The available funds were not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. Without the continued support of its creditors and additional funding to meet existing obligations, there was substantial doubt as to the Company's ability to continue as a going concern. The Company was actively seeking to raise necessary capital to meet its funding requirements. Accordingly, during the 2012 year the Company raised through equity financings an aggregate amount of $1,106,000. In addition, during 2012 the Company converted $1,627,671 of debt to equity by issuing shares.

6.8 Capital Resources - Provide an analysis of the Issuer's capital resources, including

(a) commitments for capital expenditures as of the date of the Issuer's financial statements including

(i) the amount, nature and purpose of these commitments;

(ii) the expected source of funds to meet these commitments; and

(iii) expenditures not yet committed but required to maintain the Issuer's capacity, to meet the Issuer's planned growth or to fund development activities;

(b) known trends or expected fluctuations in the Issuer's capital resources, including expected changes in the mix and relative cost of these resources; and

(c) sources of financing that the Issuer has arranged but not yet used.

On September 10, 2012, the Company closed the first tranche of a private placement of Common Shares issued at $0.20 per share. On October 22, 2012, the Company closed the second tranche of a private placement of Common Shares. The Issuer raised an aggregate amount of $606,000 from both tranches of the private placement. On December 10, 2012, the Company closed an additional private placement of Common Shares issued at $0.25 per share which raised $500,000 and on December 31, 2012 an additional $225,000 was raised via a private placement and the Company intends to use the available funds as follows:

- **work program on Borel River Property - $350,000**
- **property obligations on Gagnon Holdings Properties - $200,000**
- **general and administrative expenses - $175,000**

6.9 Off-Balance Sheet Arrangements - Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer including, without limitation, such considerations as liquidity and capital resources. This discussion shall include their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments, including

(a) a description of the other contracting party(ies);

(b) the effects of terminating the arrangement;

(c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;

(d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the Issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and

(e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

There are no off-balance sheet arrangements.

6.10 Transactions with Related Parties - Discuss all transactions involving related parties as defined by the Handbook.

There were no related party transactions during the fiscal year ended December 31, 2011 except as set out below.

During the fiscal year ended December 31, 2011, pursuant to written consulting agreements in place for several years the Company accrued ongoing consulting fees to certain officers of the Company as follows:

1. **$96,000 to 847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer;**

2. **$72,000 to Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer; and**

3. **$72,000 to J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary.**

6.11 Fourth Quarter - Discuss and analyze fourth quarter events or items that affected the Issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of the Issuer's business and dispositions of business segments.

	December 31, 2011	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**	**December 31, 2010**	**September 30, 2010**	**June 30, 2010**	**March 31, 2010**
Revenue	0	0	0	0	0	0	0	0
Loss (total)	$(33,743)	$(119,519)	$(123,653)	$(67,095)	$7,239	$(59,370)	$(95,833)	$(40,507)
Loss (per share)	$(0.002)	$(0.006)	$(0.003)	$(0.003)	$0	$0	$0	$0

The income for the fourth quarter of 2010 reflects an increase in the fair value of marketable securities of $75,038.

6.12 Proposed Transactions - Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or

business acquisition or disposition if the Issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

There are no known proposed transactions.

6.13 Changes in Accounting Policies including Initial Adoption - Discuss and analyze any changes in the Issuer's accounting policies, including:

(a) for any accounting policies that management has adopted or expects to adopt subsequent to the end of the most recently completed financial year, including changes management has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date,

(i) describe the new standard, the date the Issuer required to adopt it and, if determined, the date the Issuer plans to adopt it;

(ii) disclose the methods of adoption permitted by the accounting standard and the method management expects to use;

(iii) discuss the expected effect on the Issuer's financial statements, or if applicable, state that management cannot reasonably estimate the effect; and

(iv) discuss the potential effect on the Issuer's business, for example technical violations or default of debt covenants or changes in business practices; and

(b) for any accounting policies that management has initially adopted during the most recently completed financial year,

(i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;

(ii) describe the accounting principle that has been adopted and the method of applying that principle;

(iii) discuss the effect resulting from the initial adoption of the accounting policy on the Issuer's financial condition, changes in financial condition and results of operations;

(iv) if the Issuer is permitted a choice among acceptable accounting principles,

(A) state that management made a choice among acceptable alternatives;

(B) identify the alternatives;

(C) describe why management made the choice that you did; and

(D) discuss the effect, where material, on the Issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and

(v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to management's initial adoption of the accounting policy, explain management's decision regarding which accounting principle to use and the method of applying that principle.

Instruction: Management does not have to present the discussion under paragraph 6.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

6.14 Financial Instruments and Other Instruments - For financial instruments and other instruments,

(a) discuss the nature and extent of the Issuer's use of, including relationships among, the instruments and the business purposes that they serve;

(b) describe and analyze the risks associated with the instruments;

(c) describe how management manages the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;

(d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and

(e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial

instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

Not applicable.

Interim MD&A

6.15 Date - Specify the date of the interim MD&A.

The interim MD&A for the six-month period ended September 30, 2012 is dated as of November 29, 2012.

6.16 Updated Disclosure - Interim MD&A must update the Issuer's annual MD&A for all disclosure required by sections 6.2 to 6.14 except sections 6.3 and 6.4. This disclosure must include

(a) a discussion of management's analysis of

(i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;

(ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;

(iii) any seasonal aspects of the Issuer's business that affect its financial condition, results of operations or cash flows; and

(b) a comparison of the Issuer's interim financial condition to the Issuer's financial condition as at the most recently completed financial year-end.

The interim MD&A for the period ended June 30, 2012 is set out in the attached Appendix E.

6.17 Additional Disclosure for Issuers without Significant Revenue:

(a) unless the information is disclosed in the financial statements to which the annual or interim MD&A relates, an Issuer that has not had significant revenue from operations in either of its last two financial years must disclose a breakdown of material components of:

(i) capitalized or expensed exploration and development costs;

(ii) expensed research and development costs;

(iii) deferred development costs;

(iv) general and administration expenses; and

(v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv)

(b) if the Issuer's business primarily involves mining exploration and development, the analysis of capitalized or expensed exploration and development costs must be presented on a property-by-property basis.

(c) the disclosure in the annual MD&A must be for the two most recently completed financial years and the disclosure in the interim MD&A for the each year-to-date interim period and the comparative period presented in the interim statements.

	September 30, 2012	**December 31, 2011**	**December 31, 2010**
Capitalized or expensed exploration and development costs	$306,430	$0	$0
Expensed research and development costs	$0	$0	$0
Deferred development costs	$0	$0	$0
General and administrative expense	$20,171	$11,831	$12,993
Acquisition Costs for Borel River Property	$126,506	N/A	N/A

As at September 30, 2012, the Company had the following mineral resource properties.

Borel River Property

On July 5, 2012, the Company acquired a 100% interest in the Borel River iron exploration property which consists of 108 claims covering an area of 4,459 hectares situated in the western shore of Ungava Bay in northern Quebec, subject to the vendor retaining a 2% royalty. In order to acquire its interest, the Company paid $25,000 and issued 500,000 Common Shares with a fair value of $100,000. The Company has the right of first refusal on the sale of the royalty and has the option to reduce the royalty

from 2% to 1% by making a payment of $1,000,000. The purchase agreement further stipulates that should the Company not complete a listing of its Common Shares on a Canadian stock exchange on or before December 31, 2012, the Company shall pay to the vendor $5,000 on the first day of January 2013 and a further $5,000 on the first day of each month thereafter until its Common Shares are listed or the agreement may be terminated upon 30 days written notice given by either the Company or the vendor. See *"Borel River Property"* below for detailed information concerning the Borel River Property.

Gagnon Holdings Properties

On December 10, 2012, the Company signed a formal option and joint venture agreement with Champion Iron Mines Limited. Pursuant to this agreement the Company can earn a 65% interest in the Gagnon Holdings Properties at the Company's option by expending $6,000,000 in staged exploration and development work expenditures on the Gagnon Holdings Properties, making cash payments to the vendor totaling $1,000,000 and issuing 2,500,000 Common Shares to the vendor within a four-year period. Of the cash payment, $100,000 is payable on conditional approval of the listing of the Company's Common Shares on a Canadian stock exchange, then $150,000 on the first anniversary of signing the formal agreement and $250,000 on each of the second, third and fourth anniversaries of signing the formal agreement. The Common Shares are issuable: 1,000,000 Common Shares were issued on signing the formal agreement and 500,000 Common Shares are issuable on each of the first, second and third anniversaries of signing the formal agreement. The exploration work commitment is $500,000 on or before the second anniversary of signing the formal agreement, an additional $750,000 on or before the second anniversary of signing the formal agreement and a further $4,750,000 on or before the fourth anniversary of signing the formal agreement

After the Company completes its earn-in, the vendor and the Company will form a joint venture reflective of their proportionate ownership interests in the Gagnon Holdings Properties in order to explore and develop the retained mineral concessions. The Company will retain a right of first refusal on any part or all of the vendor's proportionate interest in each of the mineral concessions comprising the Gagnon Holdings Properties. There is also a 10 km area of interest around each mineral concession in respect of which any claims or other properties acquired by either party within that area must be included in the option or made available to the joint venture, as the case may be. In the event that a joint venture party's interest is diluted below 10% it will be converted to a 1% royalty, half of which may be purchased for $3,000,000.

6.18 Description of Securities:

(a) disclose the designation and number or principal amount of:

(i) each class and series of voting or equity securities of the Issuer for which there are securities outstanding,

(ii) each class and series of securities of the Issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the Issuer, and

(iii) subject to subsection (b), each class and series of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer;

(b) if the exact number or principal amount of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer is not determinable, the Issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer and, if that maximum number or principal amount is not determinable, the Issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined; and

(c) the disclosure under subsections (a) and (b) must be prepared as of the latest practicable date.

As at the date hereof, there are 19,332,320 Common Shares issued and outstanding.

6.19 Provide Breakdown:

(a) if the Issuer has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of:

(i) capitalized or expensed exploration and development costs,

(ii) expensed research and development costs,

(iii) deferred development costs,

(iv) general and administrative expenses, and

(v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv);

(b) present the analysis of capitalized or expensed exploration and development costs required by subsection (a) on a property-by-property basis, if the Issuer's business primarily involves mining exploration and development; and

(c) provide the disclosure in subsection (a) for the following periods:

(i) the two most recently completed financial years, and

(ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included, if any.

Subsection (a) does not apply if the information required under that subsection has been disclosed in the financial statements.

	September 30, 2012	**September 30, 2011**	**December 31, 2011**	**December 31, 2010**
Capitalized or expensed exploration and development costs	$306,430	$0	$0	$0
Expensed research and development costs	$0	$0	$0	$0
Deferred development costs	$0	$0	$0	$0
General and administrative expense	$20,171	$7,524	$11,831	$12,993
Acquisition Costs for Borel River Property	$126,506	N/A	N/A	N/A

6.20 Negative cash-flow - If the Issuer had negative operating cash flow in its most recently completed financial year for which financial statements have been included, disclose:

a) the period of time the proceeds raised are expected to fund operations;

b) the estimated total operating costs necessary for the Issuer to achieve its stated business objectives during that period of time; and

c) the estimated amount of other material capital expenditures during that period of time.

6.21 Additional disclosure for Issuers with significant equity investees:

a) if the Issuer has a significant equity investee

(i) summarized information as to the assets, liabilities and results of operations of the equity investee, and

(ii) the Issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the Issuer's share of earnings; and

(b) provide the disclosure in subsection (a) for the following periods

(i) the two most recently completed financial years, and

(ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the Listing Statement, if any.

Subsection (a) does not apply if:

(i) the information required under that subsection has been disclosed in the financial statements included, or

(ii) the Issuer includes separate financial statements of the equity investee for the periods referred to in subsection (b)

Not applicable.

7. Market for Securities

7.1 Identify the exchange(s) and quotation and trade reporting system(s) on which the Issuer's securities are listed and posted for trading or quoted.

The Issuer's securities are not listed or posted for trading or quoted on any exchange or quotation system.

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

Effective May 4, 2012, the Company consolidated its Common Shares on the basis of four old shares for one new share.

On September 10, 2012, the Company closed the first tranche of a private placement of Common Shares issued at $0.20 per share. On October 22, 2012, the Company closed the second tranche of a private placement of Common Shares which raised an aggregate amount of $606,000 from both tranches of the private placement through the issuance of 3,303,000 Common Shares. On December 10, 2012, the Company raised an additional $500,000 from the private placement of 2,000,000 Common Shares issued at $0.25 per share The Issuer raised an aggregate amount of $1,106,000 from both private placements.The Company also converted $1,627,671 of debt into equity by issuing 6,510,684 common shares at $0.25 per share. Finally, the Company issued 1,000,000 Common Shares to Champion Iron Mines Limited pursuant to the option agreement.

The following table summarizes changes in the Company's capitalization since December 31, 2011:

Description	Authorized	Outstanding as at the date of this Listing Statement	Outstanding as at December 31, 2011
Common Shares	Unlimited	19,332,320	21,566,604[(1)]
Class A Preferred Shares	Unlimited	NIL	NIL
Stock Options	10% of issued and outstanding Common Shares	NIL	NIL

Note:

1. **Effective May 4, 2012, upon consolidation of the Common Shares on a four for one basis, there were 5,391,651 Common Shares issued and outstanding.**

9. Options to Purchase Securities

9.1 State, in tabular form, as at a specified date not more than 30 days before the date of the Listing Statement, information as to options to purchase securities of the Issuer or a subsidiary of the Issuer that are held by

(a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;

(b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, without naming them and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;

(c) all other employees and past employees of the Issuer as a group, without naming them;

(d) all other employees and past employees of subsidiaries of the Issuer as a group, without naming them;

(e) all consultants of the Issuer as a group, without naming them; and

(f) any other person or company, including the underwriter, naming each person or company.

As of the date hereof, there are no outstanding options to purchase Common Shares of the Issuer, other than the possible issuance of 1,500,000 common shares to Champion pursuant to an option agreement dated December 10, 2012.

As of the date hereof, there are no outstanding warrants exercisable into Common Shares of the Issuer.

10. Description of the Securities

10.1 General - State the description or the designation each class of equity securities and describe all material attributes and characteristics, including

(a) dividend rights;

(b) voting rights;

(c) rights upon dissolution or winding-up;

(d) pre-emptive rights;

(e) conversion or exchange rights;

(f) redemption, retraction, purchase for cancellation or surrender provisions;

(g) sinking or purchase fund provisions;

(h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and

(i) provisions requiring a securityholder to contribute additional capital.

The Issuer is authorized to issue an unlimited number of common shares (hereinafter referred to as the "Common Shares") and an unlimited number of Class A preferred shares (hereinafter referred to as the "Class A Preferred Shares"), each with the following features:

Common Shares

The holders of the Common Shares, subject to the prior rights of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the Shareholders of the Company.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary of involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights of any other class of shares of the Company, the remaining property and assets of the Company.

Class A Preferred Shares

The holders of Class A Preferred Shares are entitled to non-cumulative, preferential dividends at the rate of not less than $0.05 per share.

The holders of Class A Preferred Shares are entitled to receive notice of and to attend and vote at meetings of shareholders of the Company.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary of involuntary, the holders of the Class A Preferred Shares are entitled to receive $1.00 per share together with all dividends declared and unpaid.

The Class A Preferred Shares rank in priority to all other shares.

The Company may, at any time, purchase for cancellation the whole or any part of the Class A Preferred Shares at an amount equal to the then current fair market value of such shares.

The Class A Preferred Shares are redeemable at any time on a not less than 30-day notice at the amount paid thereon together with all dividends declared and unpaid.

The Class A Preferred Shares may be converted into fully paid Common Shares on the basis of ten (10) Common Shares for each Class A Preferred Shares.

10.2 Debt Securities – If debt securities are being listed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

(a) provisions for interest rate, maturity, and premium, if any;

(b) conversion or exchange rights;

(c) redemption, retraction, purchase for cancellation or surrender provisions;

(d) sinking or purchase fund provisions;

(e) the nature and priority of any security for debt securities, briefly identifying the principal properties subject to lien or charge;

(f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the Issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities;

(g) the name of the trustee under any indenture relating to the Issuer; and

(h) any financial arrangements between the Issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness..

Not applicable.

10.4 Other securities - If securities other than equity securities or debt securities are being listed, describe fully the material attributes and characteristics of those securities.

Not applicable.

10.5 Modification of terms:

(a) describe provisions about the modification, amendment or variation of any rights attached to the securities being listed; and

(b) if the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

Not applicable.

10.6 Other attributes:

(a) if the rights attaching to the securities being listed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being listed, include information about the other securities that will enable investors to understand the rights attaching to the securities being listed; and

(b) if securities of the class being listed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

Not applicable.

10.7 Prior Sales - State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

The following table summarizes the sale of securities of the Company during the 12 month period prior to the date of this Listing Application:

Date	Price	Number of Securities	Reason for Issuance
September 10, 2012	$0.20	2,355,000 Common Shares	Private Placement
October 22, 2012	$0.20	675,000 Common Shares	Private Placement
December 10, 2012	$0.25	2,000,000 Common Shares	Private Placement
December 10, 2012	$0.25	6,510,684 Common Shares	Settlement of Debts
December 31, 2012	$0.25	900,000 Common Shares	Private Placement

10.8 Stock Exchange Price

(a) If shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs.

(b) If shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs.

(c) Information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

The Common Shares to be listed are not and have not been listed on a Canadian stock exchange since the voluntary delisting from the Toronto Stock Exchange on August 15, 2002.

11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

No Securities will be subject to the CNSX's escrow requirements upon listing.

Release Dates	% of Escrowed Shares	Number of Escrow Shares Released
N/A	N/A	N/A

The following Common Shares are subject to resale restrictions:

1. **2,355,000 Common Shares are subject to a four-month hold period which will expire January 11, 2013; and**

2. **675,000 Common Shares are subject to a four-month hold period which will expire February 23, 2013.**

3. **9,510,684 Common Shares are subject to a four-month hold period which will expire April 11, 2013.**

4. **900,000 Common Shares are subject to a four-month hold period which will expire May 1, 2013.**

12. Principal Shareholders

12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:

(a) Name.

(b) The number or amount of securities owned of the class to be listed

(c) Whether the securities referred to in subsection 12(1)(b) are owned both of record and beneficially, of record only, or beneficially only.

(d) The percentages of each class of securities known by the Issuer to be owned.

(2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of

company described in paragraph (1) that will exist after giving effect to the transaction.

(3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.

(5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

To the knowledge of the Company, as of the date of this Listing Statement no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Company's Common Shares other than:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
Champion Iron Mines Limited	3,568,000 Common Shares	18.5%

13. Directors and Officers

13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held with the Issuer and their respective principal occupations within the five preceding years.

13.2 State the period or periods during which each director has served as a director and when his or her term of office will expire.

Name and Municipality of Residence	Position with the Company	Principal Occupation for the Previous Five Years
Miles Nagamatsu	Director since June 25,	Chief Financial Officer of the Corporation, Eloro Resources Ltd. since 1997, NFX Gold Inc. (renamed

Name and Municipality of Residence	Position with the Company	Principal Occupation for the Previous Five Years
Burlington, Ontario	1998 (term does not expire) Chief Financial Officer since April 15, 1997	Bear Lake Gold Ltd.) from 1997 to 2008, Champion Iron Mines Limited since 2006, Randsburg International Gold Corp. from 2007 to 2009, PC Gold Inc. from 2008 to 2012, Delta Uranium Inc. from 2008 to 2009, Essex Oil Ltd. since 2008, Forsys Metals Corp. from 2004 to 2008 (all resource exploration corporations).
John Langton Val d'Or, Quebec	Director since July 3, 2011 (term does not expire) **Vice-President, Exploration since December 12, 2012**	Professional Geologist, Independent consultant and co-owner of MRB & Associates (*a geological consulting firm*) since 2010, Vice-President, Exploration of Eloro Resources Ltd. since 2008, and of NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 2008 to 2009 (*both resource exploration corporations*) Prior to 2008, he was employed as an Assistant Regional Geologist with the Government of New Brunswick.
Paul Ankcorn Toronto, Ontario	Director since June 4, 2012 (term does not expire) President since June 4, 2012	President and director of the Corporation, Chief Financial Officer of Tartisan Resources Corp. and Shield Gold Inc. since 2008, President of Remington Resources Inc. from 2005 to 2010, Chief Financial Officer of Cuervo Resources Inc. from 2005 to 2007 (all resource exploration corporations). Mr. Ankcorn is a director of the Corporation, Shield Gold Inc. since 2007, ACME Resources Corp. since 2009, Fancamp Exploration Ltd. since 2012, Tartisan Resources Corp. since 2011 and NWT Copper Mines Limited since 2011 (all resource exploration corporations).
Jorge Estepa Brampton, Ontario	Secretary since June 24, 1997 and Vice-President since April 4, 1997	Vice-President and Secretary of Champion Iron Mines Limited (formerly Champion Minerals Inc.) since 2006, of Eloro Resources Ltd. since 1997, and Secretary of Forsys Metals Corp. since 2004 (*all resource exploration corporations*) Vice-President and Secretary-Treasurer of of Wavex International Inc. since 1999 *(a technology company)*
Alexander Horvath L'Orignal, Ontario	Director since January 10, 2013	Principal and Owner of A.S Horvath Engineering Inc., Executive Vice President Exploration of Champion Iron Mines Limited
Marcus A. Moser WIlen, Switzerland	Director since January 10, 2013	Managing Director and Founder of two Swiss and German based private capital corporate entities.

13.3 State the number and percentage of securities of each class of voting securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Issuer as a group.

The directors and executive officers of the Corporation as a group, beneficially own, directly or indirectly, or exercise control or direction over a total of 2,756,328 Common Shares representing approximately

14.3% of the issued and outstanding Common Shares as of the date of this Listing Statement.

13.4 Disclose the board committees of the Issuer and identify the members of each committee.

Audit Committee

The board of directors of the Company has an Audit Committee. The Audit Committee supervises the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, including through discussions with external auditors. The Audit Committee is comprised of three (3) or more members of the board of directors. The Audit Committee is responsible for reviewing the audited financial statements and meeting with the Company's management and auditors for purposes of reviewing the Company's audited financial statements, and assessing the adequacy of internal control procedures and management information systems. The Audit Committee also reviews the Company's quarterly unaudited interim financial statements. The Audit Committee is scheduled to meet at least four (4) times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

The Audit Committee consists of Alexander Horvath, Marcus Moser and Paul Ankcorn, all of whom are financially literate. Marcus Moser and Alexander Horvath are considered independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"). Paul Ankcorn, the Chief Executive Officer of the Company is not considered independent within the meaning of MI 52-110. The Company intends to rely on section 6.1 of MI 52-110 for an exemption from the requirement for independence of members of the Audit Committee.

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

Name and Municipality of Residence	Principal Occupation
Miles Nagamatsu Burlington, Ontario	Chief Financial Officer of Champion Iron Mines Limited, Eloro Resources Ltd., and Essex Oil Ltd.
John Langrton Val d'Or, Quebec	Professional Geologist, Independent consultant and co-owner of MRB & Associates (*a geological consulting firm*)
Paul Ankcorn, Toronto, Ontario	President and Director of Acme Resources Corp since 2008, Chief Financial Officer and Director of Tartisan

Name and Municipality of Residence	Principal Occupation
	Resources since 2008 and of NWT Copper Mines Ltd. since 2010
Jorge Estepa, Brampton, Ontario	Vice-President and Secretary of Champion Iron Mines Limited (formerly Champion Minerals Inc.) since 2006 and of Eloro Resources Ltd. since 1997
Alexander Horvath L'Orignal, Ontario	Principal and Owner of A.S Horvath Engineering Inc., Executive Vice President Exploration of Champion Iron Mines Limited
Marcus Moser Wilen, Switzerland	Managing Director and Founder of two Swiss and German based private capital corporate entities.

13.6 If a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

Miles Nagamatsu is a director and officer of Essex Oil Ltd ("Essex"). On January 14, 2011, Randsburg International Gold Corp. ("Randsburg") purported to appoint an unlicensed privately-appointed receiver over the assets of Essex pursuant to a general security agreement granted to Randsburg in respect of a loan of $125,000 plus accrued interest. On

January 28, 2011, Essex advised Randsburg that its attempted appointment of a receiver contravened section 243(4) of the *Bankruptcy and Insolvency Act* (Canada) which provides that only a licensed trustee may be appointed as a receiver pursuant to the terms of a security agreement. On February 10, 2011, Randsburg purported to appoint a licensed trustee as a privately-appointed receiver over the assets of Essex. Essex is taking steps to refute the efforts by Randsburg. Essex continues to retain possession of its assets.

13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

To the knowledge of the Company, no director or officer of the Company (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

13.8 Despite section 13.7, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

Not applicable.

13.9 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

To the knowledge of the Company, no director or officer has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.

There are no existing or potential material conflicts of interest between the Issuer and any of its directors or officers.

13.11 Management — In addition to the above provide the following information for each member of management:

(a) state the individual's name, age, position and responsibilities with the Issuer and relevant educational background,

(b) state whether the individual works full time for the Issuer or what proportion of the individual's time will be devoted to the Issuer,

(c) state whether the individual is an employee or independent contractor of the Issuer,

(d) state the individual's principal occupations or employment during the five years prior to the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on:

(i) its name and principal business;

(ii) if applicable, that the organization was an affiliate of the Issuer;

(iii) positions held by the individual; and

(iv) whether it is still carrying on business, if known to the individual;

(e) describe the individual's experience in the Issuer's industry; and

(f) state whether the individual has entered into a non-competition or non-disclosure agreement with the Issuer.

***Paul Ankcorn*, 57, has an honours bachelor of commerce degree and commenced his career in the accounting department of Gulf Canada from 1979 to 1986. Since then, he has been actively involved in the mining industry in various positions including treasurer, vice-president of finance, chief financial officer and president. In aggregate, Mr. Ankcorn has served as an officer or director of approximately 25 public companies during the past 20 years. He is presently a Director of Eloro Resources Ltd. and Fancamp Exploration Ltd. (each a mineral exploration company listed on the TSX Venture Exchange). He is also a Director and Chief Financial Officer of Tartisan Resources (a mining company) since 2008, NWT Copper Mines Ltd. (a mineral exploration company) since 2010 and Shield Gold Inc. (a mineral exploration company listed on the TSX Venture Exchange) since 2007. He holds the title of President and Director of Acme Resources Corp. (a mineral exploration company listed on the TSX Venture Exchange) since 2008. He was a Director and President of Remington Resources (a company listed on the TSX Venture Exchange) from 2005 to 2011 and of GoldTrain Resources Inc. (a mineral exploration company listed on the CNSX) from 2009 to 2011. He also was a Director and Chief Financial Officer of Harte Gold Corp. from March 2008 to August 2008 and of Vendome Capital (a TSXV company) from 2007 to 2011. Mr. Ankcorn was a Director of Champion Iron Mines Limited (formerly Champion Minerals Inc.) from 2006 to 2012 and of Canadian Superior (a public company listed on the TSX Venture Exchange) from 2008 to 2010. As a Director and President of the Company, Mr. Ankcorn devotes approximately 25% of his working time to the affairs of the Company. He has not entered into a non-competition agreement with the Company.**

***Miles Nagamatsu*, 56, is a chartered accountant with over 30 years of professional experience in accounting, management, lending, restructurings and turnarounds. Mr. Nagamatsu currently is and has acted as a Chief Financial Officer of public and private companies primarily in the mineral exploration and investment management sectors. Accordingly, he is and has been the Chief Financial Officer of Eloro Resources Ltd. since 1997 (a junior exploration company listed on the TSX Venture Exchange), Champion Iron Mines Limited (formerly Champion Minerals Inc.) since 2006 (a mineral exploration company listed on the Toronto Stock Exchange), PC Gold Inc. from 2008 to 2012 (a junior exploration company listed on the Toronto Stock Exchange) and Essex Oil Ltd. since 2008 (a junior natural resources company listed on CNSX). Mr. Nagamatsu was also the Chief Financial Officer of NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 1997 to 2008 (a junior exploration company listed on TSX Venture Exchange), Randsburg International Gold Corp. from 2007 to 2009 (a exploration company listed on the TSX Venture Exchange), Delta Uranium Inc. from 2008 to 2009 (a junior exploration company listed on the TSX Venture Exchange) and Forsys Metals Corp.**

from 2004 to 2008 (a public company listed on the Toronto Stock Exchange). Mr. Nagamatsu, as a Director and Chief Financial Officer of the Company, devotes approximately 20% of his working time to the affairs of the Company. A company controlled by Mr. Nagamatsu has entered into a consulting agreement with the Company to provide his services. He has not entered into a non-competition agreement with the Company.

***John Langton*, 53, is a professional geologist. Mr. Langton is and has been the co-owner of MRB & Associates (a geological consulting firm) since 2010. He holds the title of Vice-President, Exploration of Eloro Resources Ltd. since 2008 and was the Vice-President, Exploration of NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 2008 to 2009. Prior to 2008, Mr. Langton was employed as an Assistant Regional Geologist with the Government of New Brunswick. Mr. Langton, as a Director and [Vice-President, Exploration] of the Company, devotes approximately 25% of his working time to the affairs of the Company. He has not entered into a non-competition agreement with the Company. Mr. Langton provides his services to the Company as an independent contractor.**

***Jorge Estepa*, 45, is a University of Toronto graduate who has over 20 years experience with publicly traded companies, serving in both investor relations and corporate administrative and development capacities. Mr. Estepa currently holds the title of Vice-President and Secretary-Treasurer of Eloro Resources Ltd. since 1997 and of Champion Iron Mines Limited (formerly Champion Minerals Inc.) since 2006. Mr. Estepa is also Secretary-Treasurer of Forsys Metals Corp since 2004 and was the Vice-President and Secretary-Treasurer of NFX Gold Inc. from 1996 to 2008. Mr. Estepa, as Vice-President and Secretary of the Company, devotes approximately 25% of his working time to the affairs of the Company. He has not entered into a non-competition agreement with the Company.**

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Only the Common Shares are to be listed.

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float Total outstanding (A)	19,332,320	20,832,320	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	6,324,328	6,324,328	32.85%	30.36%
Total Public Float (A-B)	13,007,992	14,507,992	67.15%	69.64%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	13,440,684	13,440,684	69.52%	64.52%
Total Tradeable Float (A-C)	5,891,636	5,891,636	31.96%	35.48%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

NOTE: Information below is extrapolated from REGISTERED shareholder list dated December 11, 2012 plus the addition of 5 shareholder who subscriber for 900,000 common shares on December 31, 2012.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	31	886
100 – 499 securities	18	4,677
500 – 999 securities	6	3,983
1,000 – 1,999 securities	13	18,422
2,000 – 2,999 securities	8	19,725
3,000 – 3,999 securities	3	10,375
4,000 – 4,999 securities	2	9,375
5,000 or more securities	71	9,131,000

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

NOTE: Information below is extrapolated from Broadridge CANADA and Broadridge USA Share Range Analysis Reports which provide breakdown of CDS position using May 25, 2012 date.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	340	42,769
100 – 499 securities	Incl. in 1-99	Included in 1-99 above
500 – 999 securities	50	32,759
1,000 – 1,999 securities	68	141,544
2,000 – 2,999 securities	Incl. in 1,000-1,999	Included in 1,000-1,999 above
3,000 – 3,999 securities	Incl. in 1,000-1,999	Included in 1,000-1,999 above
4,000 – 4,999 securities	Incl. in 1,000-1,999	Included in 1,000-1,999 above
5,000 or more securities	41	2,889,540
Unable to confirm	Unknown	702,937

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	5	6,324,328

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

As of the date hereof, there are no outstanding securities convertible or exchangeable into Common Shares.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

The Company's stock option plan was approved by the shareholders on June 29, 2007. The stock option plan provides that the board of directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company or any subsidiary of the Company, the option to purchase Common Shares. The stock option plan provides for a maximum limit of 10% of the number of Common Shares outstanding from time to time.

The number of Common Shares reserved for any one person during any 12-month period may not exceed 5% of the outstanding Common Shares. The board of directors determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to applicable securities exchange rules regarding minimum exercise price.

Options may be exercisable for up to five years from the date of grant, but the board of directors has the discretion to grant options that are exercisable for a shorter period. Options granted under the stock option plan do not require vesting provisions, although the board of directors may attach a vesting period or periods to individual grants as it deems appropriate. Options under the stock option plan are non-assignable and non-transferable. If, prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the stock options must be exercised within 30 days of termination of employment or cessation of position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within six months, subject to the expiry date.

As of the date of this Listing Statement, there are 1,933,232 Common Shares available to be granted under the stock option plan and no stock options are outstanding.

15. Executive Compensation

15.1 Attach a Statement of Executive Compensation from Form 51-102F6 or any successor instrument and describe any intention to make any material changes to that compensation.

Please see Appendix F attached.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No officer or director has been indebted to the Company at any time during the most recently completed financial year or is currently indebted to the Company.

AGGREGATE INDEBTEDNESS ($)					
Purpose	To the Issuer or its Subsidiaries	To Another Entity			
(a)	(b)	(c)			
Share purchases	**Not applicable**				
Other					

(1) Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in

connection with:

(a) a purchase of securities; and

(b) all other indebtedness.

(2) Report separately the indebtedness to:

(a) the Issuer or any of its subsidiaries (column (b)); and

(b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries (column (c)),

of all officers, directors, employees and former officers, directors and employees of the Issuer or any of its subsidiaries.

(2) "Support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

Not applicable.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During [Most Recently Completed Financial Year] ($)	Amount Outstanding as at [the date of the Form] ($)	Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)	Security for Indebtedness	Amount Forgiven During [Most Recently Completed Financial Year] ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Other Programs						

(1) Complete the above table for each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, each proposed nominee for election as a director of the Issuer, and each associate of any such director, executive officer or proposed nominee,

(a) who is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries, or

(b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries,

and separately disclose the indebtedness for security purchase programs and all other programs.

(3) Note the following:

Column (a) – disclose the name and principal position of the borrower. If the borrower was, during the year, but no longer is a director or executive officer, state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate, describe briefly the relationship of the borrower to an individual who is or, during the year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual.

Column (b) – disclose whether the Issuer or a subsidiary of the Issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding.

Column (c) – disclose the largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year.

Column (d) – disclose the aggregate amount of indebtedness outstanding as at a date within thirty days before the date of the information circular.

Column (e) – disclose separately for each class or series of securities, the sum of the number of securities purchased during the last completed financial year with the financial assistance (security purchase programs only).

Column (f) – disclose the security for the indebtedness, if any, provided to the Issuer, any of its subsidiaries or the other entity (security purchase programs only).

Column (g) – disclose the total amount of indebtedness that was forgiven at any time during the last completed financial year.

(3) Supplement the above table with a summary discussion of:

(a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including:

(i) the nature of the transaction in which the indebtedness was incurred,

(ii) the rate of interest,

(iii) the term to maturity,

(iv) any understanding, agreement or intention to limit recourse, and

(v) any security for the indebtedness;

(b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and

(c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

17. Risk Factors

17.1 Describe the risk factors relating to the Issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the Issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be most likely to influence an investor's decision to purchase securities of the Issuer.

The risks associated with the mineral exploration business are numerous. Certain of them are described below. Additional risks that are not yet identified or that Northfield believes are immaterial may also impair the Issuer's business operations. The Issuer's business, operating results and financial condition could be adversely affected by any of the following risks:

***Nature of the Issuer's Business*:** **It is not anticipated that the Issuer will earn income from ongoing operations; those operations are aimed at the discovery and development of mineral deposits for economic value. There is no assurance that any mineral deposits having economic value will be discovered or, if discovered, will be sufficient to sustain feasible mining activities or profitable operations.**

***Capital Needs*:** **The exploration, development, mining and processing of the Issuer's properties will require substantial additional financing. The only current sources of future funds available to the Issuer are the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Issuer or that it will be obtained on terms favourable to the Issuer or will provide the Issuer with sufficient funds to meet its objectives, which may adversely affect the Issuer's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Issuer properties or even a loss of property interests.**

***Additional Funds for Future Exploration and Development, Dilution*:** **As a mineral exploration company, the Issuer does not generate cash flow from its activities and it must rely primarily on issuances of its securities or the borrowing of funds to finance its operations. The exploration and development of the mineral properties will require substantial funds beyond those it has and there is no assurance that such additional funds will be available to the Issuer on commercially reasonable terms or in sufficient amounts to allow the Issuer to continue to pursue its objectives. The inability of the Issuer to raise further funds, whether through additional equity issuances or by other means, could result in delays or the indefinite postponement of planned exploration, development or production activities or, in certain circumstances, the loss of some or all of its property interests or cessation of all exploration, development and mining activities. The occurrence of any of these events could have a material adverse effect upon the Issuer and the value of its securities. If additional financing is raised by the issuance of additional shares from the treasury of the Issuer, holders of shares previously issued by the Issuer will suffer immediate dilution and the Issuer may experience a change of control.**

***Resource Exploration*:** **Resource exploration and development is a speculative business involving significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial gains, few properties which are explored are ultimately developed into producing mines. There is no assurance that any of the mineral properties currently held by Cartier, or any other mineral properties which may be explored by the Issuer contain ore bodies or may be developed**

into producing mines. Nor is there any assurance that if such properties contain such ore bodies that the Issuer will be able to discover and develop them. The extraction of metals and minerals from ore involves complicated metallurgical processes and recovery rates and costs can vary; there is no assurance that ore bodies, if discovered, will be able to be mined economically or successfully.

***Aboriginal Land Claims and Aboriginal Rights*: The Issuer's properties and mineral exploration claims may, in the future, be the subject of aboriginal peoples' land claims or aboriginal rights claims. The legal basis of an aboriginal land claim and aboriginal rights is a matter of considerable legal complexity and the impact of the assertion of such a claim, or the possible effect of a settlement of such claim upon the Issuer cannot be predicted with any degree of certainty at this time. In addition, no assurance can be given that any recognition of aboriginal rights or claims whether by way of a negotiated settlement or by judicial pronouncement (or through the grant of an injunction prohibiting mineral exploration or mining activity pending resolution of any such claim) would not delay or even prevent the Issuer's exploration, development or mining activities.**

***Land Title*: Although the Issuer has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties, including, without limitation, aboriginal peoples, may have valid claims against the Issuer properties.**

***Environmental Liabilities*: Pre-existing environmental liabilities may exist on the properties in which the Issuer currently holds an interest or on properties that may be subsequently acquired by the Issuer which are unknown to the Issuer and which have been caused by previous or existing owners or operators of the properties. Exploration activities may also have environmental impacts and may cause environmental liabilities. In any such events, the Issuer may be required to remediate these properties and the costs of such work could have an adverse effect upon the Issuer and the value of its securities.**

***Industry Conditions:* The mineral exploration and mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market would exist for the sale of same. The Issuer will compete with corporations and other business entities which are better financed and have better access to capital than the Issuer; there is no assurance that the Issuer will be able to successfully compete against such other corporations and entities for capital or for properties. Mineral exploration properties are sometimes subject to land claims by aboriginal peoples. There is no**

assurance that such claims, if asserted, can be satisfactorily resolved on an economic or timely basis.

Uninsured hazards: **Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. Mineral exploration and mining activities are also subject to environmental risks. The Issuer may become subject to liability for pollution or other hazards which cannot be insured against or against which the Issuer may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in a loss of the Issuer's assets or the insolvency of the Issuer.**

***Future Financing*:** **Completion of future programs may require additional financing which may dilute the interests of existing shareholders. The Issuer will be dependent on additional financing through the sale of shares to undertake its exploration programs. Furthermore, there can be no assurances that any such additional financing, whether by way of debt or equity, would be forthcoming when required, on reasonable terms or at all.**

***Surface Access Rights*:** **The Issuer does not have any surface access rights to the lands comprising the Issuer's properties and mineral exploration claims, and will be required to obtain all necessary permits prior to carrying out any exploration activities. Accordingly, the Issuer may be unable to access its properties and mineral exploration claims to carry out the exploration work described herein.**

Uncertainty in the Calculation of Deposits: **There are numerous uncertainties inherent in exploring for and assessing and evaluating mineral deposits, many of which are beyond the Issuer's control. Although the exploratory and sampling results disclosed herein have been undertaken by qualified experts, these figures in and of themselves can provide no assurance that an economic mineral deposit will be discovered on the Issuer's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests, under on-site conditions or during production. Further, even in the event that mineral deposits are identified on the Issuer's properties, there can be no assurance that they will ever be capable of being commercialized.**

***Investment Returns*:** **The Issuer has never paid a dividend nor made a distribution on any of its securities. Further, the Issuer may never achieve a level of profitability that would permit payment of dividends or making other forms of distribution to securityholders. In any event, given the stage of the Issuer's development, it will likely be a long period of time before the Issuer could be in a position to make dividends or distributions to its investors. Accordingly, an investment in any of the common shares**

is only appropriate for persons with no expectation of return on such investment over the near or medium term and who understand fully the speculative nature of such investment. The payment of any future dividends by the Issuer will be at the sole discretion of its board of directors. In this regard, the Issuer currently intends to retain all available funds to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future.

Foreign Exchange Risk: **The commodity markets are international with general pricing determined in various trading centres and commodity exchanges, which prices may be denominated in foreign currency (typically, at this time, US dollars). If mineral products and metals are produced from any of the Issuer's properties, the Company may enter into spot and forward agreements for the sale of its production denominated in foreign currency and become exposed to foreign currency fluctuations relative to the Canadian dollar which may affect its financial results.**

***Management Conflicts*:** **Certain proposed directors and officers of the Issuer are also directors and officers of other natural resource companies. Conflicts may arise between the obligations of such directors and officers to the Issuer and to the other natural resource companies. Directors and officers would be required pursuant to applicable corporate law to disclose any conflicts and directors would be required to abstain from voting in respect thereof.**

***Key Employees*:** **Management of the Issuer will rest on a few key officers, the loss of any of whom can have a detrimental effect on the Issuer's operations. The Issuer will not be maintaining key man insurance.**

17.2 If there is a risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

17.3 Describe any risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the securities being listed and that are not otherwise described under section 17.1 or 17.2.

18. Promoters

18.1 For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer state

(a) the person or company's name;

(b) the number and percentage of each class of voting securities and equity securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer in return; and

(d) for an asset acquired within the two years before the date of the Listing Statement or thereafter, or to be acquired, by the Issuer or by a subsidiary of the Issuer from a promoter

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

There are no promoters of the Issuer.

18.2 (1) If a promoter referred to in section 18.1 is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any person or company that

a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(2) For the purposes of section 18.2 (1), “order” means:

a) a cease trade order;

b) an order similar to a cease trade order; or

c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

(3) If a promoter referred to in section 18.2 (1):

a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in section 18.2(1) has been subject to:

a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(5) Despite section 18.2(4), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

Not applicable.

19. Legal Proceedings

19.1 Describe any legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and any such proceedings known to the Issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer is not a party to any material legal proceedings.

19.2 Regulatory actions - Describe any:

(a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

(b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

(c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

There are no regulatory actions against the Issuer.

20. Interest of Management and Others in Material Transactions

20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

(a) any director or executive officer of the Issuer;

(b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of your outstanding voting securities; and

(c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

The Company entered into a consulting contract to obtain the services of its Chief Financial Officer. Annual compensation of $72,000 is payable to Marlborough Management Limited, a company controlled by Miles Nagamatsu for his services provided to the Company. As of the date of the last interim financial statements for the period ended September 30, 2012, the Company owed to the above-noted corporation the total amount of $424,620. On October 31, 2012, the consulting contract with Marlborough Management Limited was terminated by mutual consent. On December 10, 2012, Marlborough Management Limited and the Company completed a "shares for debt" transaction at a deemed value of $0.25 per share which eliminated $430,000 of debt owed to the above-noted corporation, representing the full amount owed to the corporation.

Also, the Company entered into a consulting contract to obtain the services of Jorge Estepa as Vice President and Secretary. Annual compensation of $72,000 is payable to J. Estepa Consulting Inc., a company controlled by Jorge Estepa for his services provided to the Company. As of the date of the last interim financial statements for the period ended September 30, 2012, the Company owed to the above-noted corporation the total amount of $424,620. On October 31, 2012, the consulting contract with J. Estepa Consulting Inc. was terminated by mutual consent. On December 10, 2012, J. Estepa Consulting Inc. and the Company completed a "shares for debt" transaction at a deemed value of $0.25 per share which eliminated $430,000 of debt owed to the above-noted corporation, representing the full amount owed to the corporation.

Starting November 1997, the Issuer entered into a consulting contract to obtain the services of Thomas Larsen as a President and Chief Executive Officer to the Corporation. The contract was renewed on an annual basis. Annual compensation of $96,000 was payable to 847785 Ontario Ltd., a company controlled by Thomas Larsen. Mr. Larsen resigned effective May 29, 2012. As of the date of the last interim financial statements for the period ended September 30, 2012, the Company owed to the above-noted corporation the total amount of $542,160. On December 10, 2012, 847785 Ontario Ltd. and the Company completed a "shares for debt" transaction at a deemed value of $0.25 per share which eliminated $542,000 of debt owed to the above-noted corporation, representing the full amount owed to the corporation.

The Company entered into a number of transactions with Champion Iron Mines Limited, including: i) an option and joint venture agreement described in Section 3.2 (2)(g) above ii) a concurrent private placement of 2,000,000 Common Shares issued at $0.25 per share described in Section 8.1 above iii) a concurrent shares for debt transaction resulting in the issuance of 568,000 Common Shares issued at a deemed price of $0.25 per share as described in Section 10.7 above iv) a concurrent Pre-emptive Rights Agreement as described in Section 22.1 below, and v) a Board of

Directors Representation and Standstill Agreement described in section 22.1 below.

21. Auditors, Transfer Agents and Registrars

21.1 State the name and address of the auditor of the Issuer.

The auditors of the Issuer are Collins Barrow Toronto LLP, Chartered Accountants, located at Collins Barrow Place, 11 King Street West, Suite 700, Box 27, Toronto, Ontario M5H 4C7.

21.2 For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the Issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the Issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

The Transfer Agent and Registrar of the Company is Equity Financial Trust Company and its address is 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

22. Material Contracts

22.1 Give particulars of every material contract, other than contracts entered into in the ordinary course of business that was entered into within the two years before the date of Listing Statement by the Issuer or a subsidiary of the Issuer.

The Issuer has not entered into any material contracts in the prior two years before the date hereof, except for the contracts entered into in the ordinary course of business or the agreements described elsewhere in this Listing Statement or other than those described below:

On December 10, 2012, a Pre-emptive Rights Agreement was executed between the Issuer and Champion Iron Mines Limited ("Champion") whereby the Issuer granted Champion the right to participate in the Issuer's private placements over a period of approximately two (2) years expiring December 31, 2014, giving Champion the opportunity to maintain its proportionate interest in the outstanding shares of the Issuer. Champion also reserved the right to participate in the Issuer's private placements to increase Champion's holdings of the Issuer's shares up to 38%, which right will expire on June 30, 2013 or such later date when the Issuer has at least 30,000,000 shares outstanding. The two companies also signed a Board Representation and Standstill Agreement whereby, for a period of approximately five (5) years expiring December 31, 2017, Champion ill have the right to nominate one director to the Issuer's Board

of Directors and will be restricted from voting in certain circumstances, including not voting against the election of any nominee to the Board of Directors proposed by the Issuer or against any resolutions supported by the Issuer's Board of Directors, subject to certain exceptions. The agreement also provides for restrictions on sales of the Issuer's shares by Champion without the Issuer's consent for a period of approximately five years expiring December 31, 2017 and then limited monthly sales thereafter.

22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

Not applicable.

23. Interest of Experts

23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in section 23.1 of any securities of the issuer or any Related Person of the Issuer.

23.3 For the purpose of section 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.

23.4 If a person, or a director, officer or employee of a person or company referred to in section 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer or of any associate or affiliate of the issuer, disclose the fact or expectation.

There are no direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

24. Other Material Facts

24.1 Give particulars of any material facts about the Issuer and its securities hat are not disclosed under the preceding items and are necessary in order for the

Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

There are no other material facts that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. Financial Statements

25.1 Provide the following audited financial statement for the Issuer:

(a) copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the preceding three years as if the issuer were subject to such law; and

(b) a copy of financial statements for any completed interim period of the current fiscal year.

Please see Appendix G attached hereof.

25.2 For Issuers re-qualifying for listing following a fundamental change provide

(a) the information required in sections 5.1 to 5.3 for the target;

(b) financial statement for the target prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* as if the target were the Issuer;

(c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:

(i) the last full fiscal year of the Issuer and

(ii) any completed interim period of the current fiscal year.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at TORONTO

this 17th day of JANUARY, 2013.

PAUL ANKCORN
Chief Executive Officer

MILES NAGAMATSU
Chief Financial Officer

N/A
Promoter (if applicable)

MILES NAGAMATSU
Director

PAUL ANKCORN
Director

[print or type names beneath signatures]

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, _____.

_____	_____
Chief Executive Officer	Chief Financial Officer
_____	_____
Promoter (if applicable)	Director
_____	
Director	

[print or type names beneath signatures]

APPENDIX A: MINERAL PROJECTS

(1) Property Description and Location – Describe:

(a) the area (in hectares or other appropriate units) and location of the property;

(b) the nature and extent of the Issuer's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights;

(c) the terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject;

(d) all environmental liabilities to which the property is subject;

(e) the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements; and

(f) to the extent known, the permits that must be acquired to conduct the work proposed for the property and whether permits have been obtained;

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography – Describe:

(a) the means of access to the property;

(b) the proximity of the property to a population centre and the nature of transport;

(c) to the extent relevant to the mining project, the climate and length of the operating season;

(d) the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites; and

(e) the topography, elevation and vegetation;

(3) History - Describe:

(a) the prior ownership of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known;

(b) if a property was acquired within the three most recently completed financial years of the Issuer or during its current financial year from, or is intended to be acquired by the Issuer from, an insider or promoter of the Issuer or an associate or affiliate of an insider or promoter, the name and address of the vendor, the relationship of the vendor to the Issuer, and the consideration paid or intended to be paid to the vendor; and

(c) to the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in subparagraph (b).

(4) Geological Setting — The regional, local and property geology.

(5) Exploration Information — The nature and extent of all exploration work conducted by, or on behalf of, the Issuer on the property, including:

(a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;

(b) an interpretation of the exploration information;

(c) whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and

(d) a discussion of the reliability or uncertainty of the data obtained in the program.

(6) Mineralization — The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.

(7) Drilling — The type and extent of drilling including the procedures followed and an interpretation of all results.

(8) Sampling and Analysis — The sampling and assaying including:

(a) a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;

(b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;

(c) a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;

(d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and

(e) quality control measures and data verification procedures.

(9) Security of Samples — The measures taken to ensure the validity and integrity of samples taken.

(10) Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including:

(a) the quantity and grade or quality of each category of mineral resources and mineral reserves;

(b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and

(c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.

(11) Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.

(12) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

I

Instructions:

(1) Disclosure regarding mineral exploration development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.

(2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or

to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.

(3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.

(4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

APPENDIX B: OIL AND GAS PROJECTS

1. Drilling Activity — The number of wells the Issuer has drilled or has participated in drilling, the number of these wells that were completed as oil wells and gas wells that are capable of production, each stated separately, and the number of dry holes, expressed in each case as gross and net wells, during each of the two most recently completed financial years of the Issuer.

2. Location of Production — The geographical areas of the Issuer's production, the groups of oil and gas properties, the individual oil and gas properties and the plants, facilities and installations that, in each case, are owned or leased by the Issuer and are material to the Issuer's operations or exploratory activities.

3. Location of Wells — The location, stated separately for oil wells and gas wells, by jurisdiction, if in Canada, by state, if in the United States, and by country otherwise, of producing wells and wells capable of producing, in which the Issuer has an interest and which are material, with the interest expressed in terms of gross and net wells.

4. Interest in Material Properties — For interests in material properties to which no proved reserves have been attributed, the gross acreage in which the Issuer has an interest and the net interest of the Issuer, and the location of acreage by geographical area.

5. Reserve Estimates — To the extent material, estimated reserve volumes and discounted cash flow from such reserves, stated separately by country and by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, on both a gross and net basis as at the most recent financial year end, including information on royalties.

6. Source of Reserve Estimates — The source of the reserve estimates and whether the reserve estimates have been prepared by the Issuer or by independent engineers or other qualified independent persons and any other information relating to reserve estimates required to be disclosed in a prospectus by any successor instrument to National Instrument 51-101.

7. Reconciliation of Reserves — A reconciliation of the reserve volumes by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, as at the financial year end immediately preceding the most recently completed financial year to the reserve volume information furnished under paragraph 5, with the effects of production, acquisitions, dispositions, discoveries and revision of estimates shown separately, if material.

8. Production History — For each quarter of the most recently completed financial year of the Issuer, with comparative data for the same periods in the preceding

financial year.

9. If your company is engaged in oil and gas activities as defined in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, disclose the following information:

   (a) Reserves Data and Other Information -

      (i) In the case of information that, for purposes of Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end;

      (ii) In the case of information that, for purposes of Form 51-1 01 F1, is to be prepared for a financial year, disclose that information for your company's most recently completed financial year; and

      (iii) To the extent not reflected in the information disclosed in response to paragraphs (i) and (ii), disclose the information contemplated by Part 6 of National Instrument 51-101 in respect of material changes that occurred after your company's most recently completed financial year-end.

   (b) Report of Independent Qualified Reserves Evaluator or Auditor - Include with the disclosure under subsection (a) a report in the form of Form 51-101F2 Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor, on the reserves data included in the disclosure required under paragraphs (a)(i) and (a)(ii) above.

   (c) Report of Management - Include with the disclosure under subsection (a) a report in the form of Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure that refers to the information disclosed under subsection (a).

   (d) the average daily production volume, before deduction of royalties, of

      (i) conventional crude oil,

      (ii) natural gas liquids, and

      (iii) natural gas;

   (e) the following on a per barrel basis for conventional crude oil and natural gas liquids and on a per thousand cubic feet basis for natural gas

      (i) the average net product prices received,

      (ii) royalties,

      (iii) operating expenses, specifying the particular items included, and

(iv) netback received;

(f) the average net product price received for the following, if the Issuer's production of the following is material to the Issuer's overall production,

(i) light and medium conventional crude oil,

(ii) heavy conventional crude oil, and

(iii) synthetic crude oil; and

(g) the dollar amounts expended on

(i) property acquisition,

(ii) exploration, including drilling, and

(iii) development, including facilities.

10. Future Commitments — A description of the Issuer's future material commitments to buy, sell, exchange or transport oil or gas, stating for each commitment separately

(a) the aggregate price;

(b) the price per unit;

(c) the volume to be purchased, sold, exchanged or transported; and

(d) the term of the commitment.

11. Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Instrument 51-101 or any successor instrument.

APPENDIX C
GLOSSARY OF TERMS

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Statement. In the event of a conflict between a term defined herein and a term defined in the CNSX Policies, the CNSX definition will govern.

"Borel River Property"	means the property located in the Koksoak River (Unorganized) Territory of northern Quebec, near the Western shore of Ungava Bay, and comprised of 108 contiguous mineral claims covering a surface area of approximately 4459.21 hectares;
"Common Share"	means a common share of the Company;
"Company"	means Northfield Metals Inc., a company incorporated under the laws of the Province of Ontario on November 1, 1985;
"CNSX"	means the Canadian National Stock Exchange;
"Listing Statement"	means this listing application dated December 18, 2012;
"Listing Date"	means the date that the Common Shares are listed on the CNSX;
"MD&A"	means Management's Discussion and Analysis for the Company, as filed on SEDAR under the Company's profile;
"NI 43-101"	means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects,* adopted by the Canadian Securities Administrators;
"SEDAR"	means the System for Electronic Document Analysis and Retrieval developed by Canadian Securities Administrators which is accessible to investors online at www.sedar.com;
"Shareholder"	means a registered or beneficial holder of Shares or, if the context requires, other securities of the Company;
"Stock Option Plan"	means the stock option plan of the Company;
"Technical Report"	means the technical report on the Borel River Property in the Province of Quebec, dated August 30, 2012 prepared by Peter Banks, P.Geo;
"Transfer Agent"	means Equity Financial Trust Company;

APPENDIX D

Northfield Metals Inc.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Northfield Metals Inc. (the "Company") for the year ended December 31, 2011 and should be read in conjunction with the audited financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of April 30, 2012.

All dollar amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties. Currently, the Company has no mineral resource properties.

The Company is a reporting issuer in Ontario and Alberta, however, its common shares are not listed for trading on any exchange.

Overall Performance

The Company is in the exploration stage and has no revenue. As at December 31, 2008, the Company had written off its mineral resource properties. The Company is currently seeking to acquire mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to identify and acquire mineral resource properties, to obtain financing to acquire and complete the exploration and development of those mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of mineral resource properties.

As at December 31, 2011, the Company had a working capital deficit of $1,254,424, which included cash of $1,165, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

Risks and Uncertainties

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

The Company is in the exploration stage and currently does not own any mineral resource properties. The Company has no revenues and finances its operations by raising capital in the equity markets. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to complete the acquisition, exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

Summary Annual Information

	Years ended December 31		
	2011	**2010**	**2009**
	$	**$**	**$**
Revenue	-	-	-
Net loss			
Total	344,010	188,471	247,990
Per share (basic and diluted)	0.016	0.009	0.011
Total assets	163,168	210,289	121,481

Results of Operations

	3 months ended December 31,		Years ended December 31,	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Expenses				
Professional fees	8,193	2,500	20,503	13,375
Consulting fees	60,000	60,000	240,000	240,000
General and administrative	4,307	901	11,831	12,993
Decrease (increase) in fair value of marketable securities	(38,757)	(75,038)	71,676	(82,294)
Writedown of equipment	-	15,000	-	15,000
Gain on settlement of debts	-	(10,603)	-	(10,603)
Loss and comprehensive loss	33,743	(7,240)	344,010	188,471

Years ended December 31
The increase in the loss and comprehensive loss in the year is the result of a decrease in the fair value of marketable securities of $71,676 compared to an increase of $82,294 in the same period in the previous year.

3 months ended December 31
The increase in the loss and comprehensive loss is a result of a decrease in the increase in the current period compared to the same period in the previous year primarily reflects a decrease in the fair value of marketable securities compared to an increase in the same period in the previous year.

Summary of Quarterly Results

	Q1 2010	**Q2 2010**	**Q3 2010**	**Q4 2010**	**Q1 2011**	**Q2 2011**	**Q3 2011**	**Q4 2011**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	-	-	-	-	-	-	-	-
Loss								
- Total	(40,507)	(95,833)	(59,370)	7,239	(67,095)	(123,653)	(119,519)	(33,743)
- Per share	Nil	Nil	Nil	Nil	(0.003)	(0.003)	(0.006)	(0.002)

Income for the fourth quarter of 2010 reflects an increase in the fair value of marketable securities of $75,038.

Liquidity and Capital Resources

The Company is in the exploration stage and currently does not own any mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to complete the acquisition, exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

As at December 31, 2011, the Company had a working capital deficit of $1,254,424, which included cash of $1,165, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. However, without the continued support of its creditors and additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements, however, there can be no assurance that additional funding will be available.

Transactions with Related Parties

	Year ended, December 31, 2011 $	**Outstanding as at December 31, 2011 $**
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer of the Company	96,000	491,040
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer of the Company.	72,000	368,280
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	72,000	368,280

International Financial Reporting Standards ("IFRS")

In previous years, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company adopted IFRS effective January 1, 2011 and the Company's financial statements for the year ended December 31, 2011 and 2010 and statement of financial position as at January 1, 2010 have been prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

The audited financial statements set out significant accounting policies in accordance with IFRS in Note 4 and reconciliations between Canadian GAAP and IFRS in note 15. The following paragraphs provide summary of the impact of the transition from Canadian GAAP to IFRS.

First-time adoption exemptions applied

IFRS 1 allows first-time adopters certain exemptions from retrospective application of certain IFRS. The Company has applied the following optional exemptions to full retrospective application of IFRS and has made the following adjustments to transition from Canadian GAAP to IFRS:

Business combinations

IFRS 1 allows for IFRS 3, *Business Combinations*, to be applied retrospectively or prospectively. The Company elected to adopt IFRS 3 prospectively to business combinations subsequent to the date of transition. Accordingly, all business combinations after January 1, 2010 will be accounted for in accordance with IFRS 3.

Share-based payment transactions

IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company elected to not apply IFRS 2, *Share-based Payment,* to share-based payments granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as at January 1, 2010.

Reconciliations
The adoption of IFRS resulted in no changes to the statements of financial position as at January 1, 2010 and December 31, 2010 and the statements of loss and comprehensive loss and cash flows for the year ended December 31, 2010 previously presented under Canadian GAAP compared to the financial statements prepared under IFRS, and accordingly, no reconciliations were presented.

Other Considerations of the Changeover from Canadian GAAP to IFRS

Internal Control Activities
The Company has applied its existing internal control framework to the IFRS changeover process and there have not been any significant changes as a result. All accounting policy changes have been reviewed by senior management and the audit committee.

Information Technology and Systems
The primary information technology and systems impact of the conversion to IFRS is on the Company's system used to prepare its financial statements where the Company has implemented the changes necessary to collect the information required to complete the process in accordance with IFRS.

Business activities
The implementation of IFRS did not impact any employee compensation plans or key ratios and the Company does not have any debt covenants. In addition, the transition to IFRS did not have a significant impact on internal controls except as noted above.

Review
The review phase involves continuous monitoring of changes in IFRS. IFRS accounting standards and the interpretation thereof are constantly evolving. As a result, the Company will continue to monitor and evaluate IFRS accounting developments. The review phase will continue throughout 2012.

New standards and interpretations not adopted
A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013.

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

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

IFRS 10, Consolidation ("IFRS 10")
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer 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 venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

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 measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

Effect of new standards
None of these new standards is expected to have a significant effect on the financial statements of the Company, except IFRS 9, which could change the classification and measurement of financial assets. The Company has not determined the extent of the impact of this new standard and does not plan to adopt this new standard early.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts reported in these financial statements and related note disclosures. Actual results could differ materially from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions and estimation uncertainties include the provision for deferred income taxes based on estimated tax bases using substantively enacted tax rates expected to apply to taxable income during the years in which the differences are expected to be recovered or settled.

Financial Instruments and Other Instruments

Fair value
Fair value represents the amount at which a financial instrument could be exchanged between willing parties.

The carrying value of cash, accounts payable and accrued liabilities, due to Eloro and Champion approximates fair value due to the short-term nature of these financial instruments.

Fair value hierarchy
The Company measures the fair value of its financial assets and financial liabilities based on the classification of the fair values in a hierarchy comprising three levels, which reflects the significance of the inputs used in making the measurements, described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value classified using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
December 31, 2011				
Marketable securities	115,370	–	–	115,370
December 31, 2010				
Marketable securities	155,448	–	–	155,448

Financial risk management
The Company has exposure to credit risk, liquidity risk and market risk with respect to its financial instruments.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The Company's limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2011 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $28,842.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Other Information
Additional Disclosure for Venture Companies without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

	Years ended December 31,	
	2011	2010
	$	$
General and administrative expenses		
Office	493	400
Public company costs	11,338	12,593
	11,831	12,993

Shares Outstanding as at April 30, 2012

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
21,566,604 common shares.

On July 28, 2011, the shareholders of the Company approved the consolidation of the issued common shares on the basis of one new common share for up to four old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at April 29, 2012, no share consolidation has yet been effected.

Stock options
Authorized:
2,156,660 stock options, representing 10% of the issued and outstanding common shares.

Outstanding:
None.

APPENDIX E

Northfield Metals Inc.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Northfield Metals Inc. (the "Company") for the 9 months ended September 30, 2012 and should be read in conjunction with the unaudited condensed interim financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of November 29, 2012.

All dollar amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties.

The Company is a reporting issuer in Ontario and Alberta, however, its common shares are not listed for trading on any exchange. The Company intends to pursue a listing on a Canadian stock exchange prior to the year end.

Overall Performance

Borel River Property, Quebec

On July 5, 2012, the Company acquired a 100% interest in the Borel River iron ore property ("Borel River"), which consists of 108 claims covering an area of 4,459 hectares situated on the western shore of Ungava Bay in northern Quebec, subject to vendor retaining a 2% royalty. In order to acquire its interest, the Company paid $25,000 and issued 500,000 common shares with a fair value of $100,000. The Company has the right of first refusal on the sale of the royalty and has the option to reduce the royalty from 2% to 1% by making a payment of $1,000,000.

In the event that the Company does not complete a listing of its common shares on a Canadian stock exchange by December 31, 2012, the Company will make monthly payments of $5,000 to the vendor commencing January 1, 2013 until its common shares are listed or the agreement is terminated upon 30 days written notice given by either the Company or the vendor.

The Borel River is located near the western shores of Ungava Bay in northern Quebec (*NTS 24N/12*). The area is accessible via helicopter or float plane from Kangirsuk Airport, 50 km to the north, or from Aupaluk Airport, 25 km to the south; both of which are serviced by Air Inuit from Montreal, Quebec City and Sept-Iles. Borel River is underlain by approximately 20 km of a north-south trending iron formation between the Morgan Lake and Hopes Advance property holdings of Oceanic Iron Ore Corp. The property is named after the Borel River, which flows from west to east across the middle of the Property and drains into False Bight in Ungava Bay.

Several highly metamorphosed, magnetite-specularite and meta-taconite iron deposits that contain 30% to 35% Iron (Fe) are known to exist in the vicinity of the Borel River Property (i.e. Morgan, Castle Mountain). These contain significant historic iron resources and are being aggressively explored by Oceanic Iron Ore Corp. Although considered speculative, these deposits point to the considerable potential for National Instrument 43-101 compliant iron resources within the area. The iron formation underlying the Borel River Property remains unexplored and untested along the 20 km extent of the Property.

Acquisition of Gagnon Holdings

On September 28, 2012, the Champion Iron Mines Limited ("Champion") granted an option to the Company to acquire a 65% interest in Aubertin-Tougard, Aubrey-Ernie, Black Dan, Jeannine Lake, Penguin Lake, Silicate-Brutus and Three Big Lakes comprising 378 claims covering 200.24 square kilometres in the Fermont Iron Ore District in the Labrador Trough in northeastern Quebec ("Gagnon Holdings"), referred to as "Cluster 3" by Champion. In order to earn its interest, the

Company must make option payments, issue common shares and incur exploration expenditures, as follows:

	Option payments $	Common shares	Exploration expenditures $
Upon conditional approval from a stock exchange for the listing of the shares of the Company	100,000	1,000,000	–
1 year after signing of an option and joint venture agreement	150,000	500,000	500,000
2 years after signing of an option and joint venture agreement	250,000	500,000	750,000
3 years after signing of an option and joint venture agreement	250,000	500,000	–
4 years after signing of an option and joint venture agreement	250,000	–	4,750,000
	1,000,000	2,500,000	6,000,000

The Company and Champion agreed that the option constitutes a binding agreement and agreed to negotiate the terms of and execute a mutually satisfactory option and joint venture agreement by December 31, 2012.

Upon the Company earning its 65% interest, a joint venture will be formed to incur additional exploration expenditures. If the Company does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The Company will have the option to reduce the royalty from 1% to 0.5% by making a payment of $3,000,000.

In the event that the Company or Champion proposes to acquire any property within 10 kilometres of the Gagnon Holdings, the acquirer must offer the property at cost to the other party for inclusion in the Gagnon properties.

Two officers of the Company are officers of Northfield.

Five of the seven acquired mineral concessions enclose catalogued iron occurrences, which, in the aggregate, host historic mineral resources of 267.5 million tonnes @ 30.0% iron. These historical mineral resources estimates pre-date National Instrument (NI) 43-101 and, accordingly, are not compliant with the requirements of NI 43-101- *Standards of Disclosure for Mineral Projects.* As a result, the historical estimates should not be relied upon. No “qualified person”, (as defined in NI 43-101) has done sufficient work to classify the historical estimates as current “mineral resources” (as defined in NI 43-101). The Company is not treating the historical resource estimates as current mineral resources or mineral reserves.

Table 1 – Gagnon Holdings

PROJECT NAME	NUMBER OF CLAIMS	AREA (km^2)
AUBERTIN-TOUGARD	52	27.59
AUBREY-ERNIE	134	70.85
BLACK DAN	61	32.34
JEANNINE LAKE	6	3.19
PENGUIN LAKE	60	31.75
SILICATE-BRUTUS	56	29.75
THREE BIG LAKES	9	4.77
TOTALS	**378**	**200.24**

The Gagnon Holdings are adjacent and in close proximity to Arcelormittal’s Mont Reed property which encompasses the suspended Mont Reed Mine open pit. The Company is evaluating and examining the historical data in order to preliminarily formulate an exploration program for the Gagnon Holdings.

Appointments to the Company`s Board of Directors and Changes to Senior Management

On June 5, 2012, the Board of Directors accepted the resignation of Thomas Larsen as Director, Chairman, President and CEO, who indicated he had elected to resign in order to focus on his continuing role as Chairman, President and CEO of Champion Minerals Inc.

The Company appointed Paul Ankcorn as Director and President. As well as being the former Vice President, Finance for the Company from 1989 to 1996, Mr. Ankcorn has extensive experience in the resource sector. In his nearly 30 years in the sector, Mr. Ankcorn has served as a senior officer and/or a director of numerous publicly traded mineral exploration companies.

On September 5, 2012, the Board of Directors accepted the resignation of Francis Sauve as Director and on November 29, 2012 the Company appointed John Langton, P. Geo. as Vice President, Exploration.

Financing

On September 10, 2012, the Company completed the first tranche of a private placement financing consisting of 2,355,000 common shares at a price of $0.20 per common share for gross proceeds of $471,000. In connection with the financing, the Company paid a commission of $37,680. On October 22, 2012, the Company completed the second and final tranche of a private placement financing consisting of 675,000 common shares at a price of $0.20 per common share for gross proceeds of $135,000.

The Company intends to use the proceeds of the private placement to complete a National Instrument 43-101 technical report on the Borel River and provide the Company with sufficient working capital to pursue a listing on a Canadian stock exchange.

The Company intends to offer and complete additional equity financings and is currently negotiating the settlement of debt with its creditors.

Risks and Uncertainties

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

The Company is in the exploration stage. The Company has no revenues and finances its operations by raising capital in the equity markets. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to complete the acquisition, exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

Results of Operations

	3 months ended September 30,		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
Expenses				
Professional fees	3,500	5,311	10,500	12,311
Consulting fees	36,000	60,000	156,000	180,000
General and administrative	4,281	836	20,171	7,524
Loss on sale of marketable securities	-	-	7,900	-
Decrease in fair value of marketable securities	42,360	53,373	90,666	110,433
Loss and comprehensive loss	86,141	119,519	285,237	310,267

Summary of Quarterly Results

	Q4 2010 $	Q1 2011 $	Q2 2011 $	Q3 2011 $	Q4 2011 $	Q1 2012 $	Q2 2012 $	Q2 2012 $
Revenue	-	-	-	-	-	-	-	-
Loss								
- Total	7,239	(67,095)	(123,653)	(119,519)	(33,743)	(71,501)	(127,595)	(86,141)
- Per share	Nil	(0.012)	(0.012)	(0.24	(0.008)	(0.012)	(0.037)	(0.014)

Income for Q4 of 2010 reflects an increase in the fair value of marketable securities of $75,038.

Liquidity and Capital Resources

The Company is in the exploration stage and has no revenue. As at September 30, 2012, the Company had a working capital deficit of $1,213,946 (December 31, 2011 - $1,254,424) and for the 9 months ended September 30, 2012, the Company incurred losses of $285,237 (2011 - $310,267). The working capital deficit and losses limit the Company's ability to fund operations and the acquisition, exploration and development of mineral resource properties. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The Company has reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

Transactions with Related Parties

	9 months ended September 30, 2012 $	Outstanding as at September 30, 2012 $
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer of the Company	48,000	542,160
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer of the Company.	54,000	424,620
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	54,000	424,620

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Impairment of exploration and evaluation

Expenditures on exploration and evaluation are initially capitalized with the intent to establish commercially viable reserves. The Company makes estimates about future events and circumstances in determining whether the carrying amount of exploration and evaluation exceeds its recoverable amount.

Estimates of mineral resources
The amounts used in impairment calculations are based on estimates of mineral resources. Resource estimates are based on engineering data, estimated future prices, expected future rates of production and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. The Company expects that, over time, its resource estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in commodity prices.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Changes in Accounting Policies including Initial Adoption

Exploration and evaluation

Recognition and measurement
Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Non-repayable mining tax credits earned in respect to costs incurred in Quebec are recorded as a reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment or expensed to the statement of loss and comprehensive loss to the extent of any impairment. As at September 30, 2012, the Company had no property, plant and equipment.

Impairment
Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. FVLCTS refers to the amount obtainable from the sale of a property in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Decommissioning liabilities
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the balance sheet date. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. As at September 30, 2012, the Company had no decommissioning liabilities.

New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013:

IFRS 10, Consolidation ("IFRS 10")
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer 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 venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

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 measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

The following amendment to standards and interpretations is effective for periods beginning on or after January 1, 2015:

IFRS 9, Financial Instruments ("IFRS 9")
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive

income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

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

Effect of new standards
IFRS 9, IFRS 10, IFRS 11 and IFRS 12 are expected to have an effect on the consolidated financial statements of the Company. The Company has not determined the extent of the impact of these standards and does not plan to early adopt these new standards.

Financial Instruments and Other Instruments

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion and Eloro
The fair values of cash, accounts payable and accrued liabilities and due to Champion and Eloro are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At June 30, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Marketable securities
The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

Marketable securities are classified as Level 1 financial assets.

Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash balances. The Company’s limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at September 30, 2012 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $18,879.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Other Information

Additional Disclosure for Venture Companies without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

	9 months ended September 30,	
	2012	**2011**
	$	**$**
General and administrative expenses		
Office	10,746	403
Public company costs	9,426	7,121
	20,171	7,524

Exploration and evaluation

	December 31, 2011	Acquisition costs	Exploration expenditures	September 30, 2012
	$	**$**	**$**	**$**
Property				
Borel River	–	126,506	179,924	306,430

Shares Outstanding as at November 29, 2012

Shares

Authorized:

Unlimited number of common shares.

Outstanding:

8,921,636 common shares.

Share consolidation:

Effective May 4, 2012, the Company consolidated the issued 21,566,600 common shares on the basis of 1 new common share for 4 old common shares.

Stock options

Authorized:

892,164 stock options, representing 10% of the issued and outstanding common shares.

Outstanding:

None.

APPENDIX F
STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this section is to disclose all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Issuer to each Named Executive Officer (as defined herein) in accordance with Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**"). The stated objective of Form 51-102F6 is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of a corporation and to help investors understand how decisions about executive compensation are made.

As at December 31, 2011, the following individuals were the Named Executive Officers (the "**NEOs**") of Northfield:

- Thomas Larsen, President and Chief Executive Officer ("**CEO**")
- Miles Nagamatsu, Chief Financial Officer ("**CFO**")

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis describes, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Issuer, to each Named Executive Officer. Disclosure is required to be made in relation to each Named Executive Officer, being an individual or individuals who served as the CEO, CFO, and each of the Issuer's most highly compensated executive officers or those acting in a similar capacity whose total compensation exceeded $150,000 at the end of the most recently completed financial year.

The Issuer currently does not have a compensation committee. The role of the compensation committee is fulfilled by the board of directors as a whole. In this regard, the role of the board of directors is to determine the level of compensation in respect of the Issuer's executive officers with a view to providing such executives with a competitive compensation package having regard to performance. The Issuer's policy is to recognize and reward individual performance as well as to place executive compensation within the range of compensation levels in the industry.

Compensation Policy and Key Compensation Components

The Company does not have a compensation program other than paying base compensations, incentive bonuses, and incentive stock options to the NEOs. The Issuer recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

(a) Base Compensation

The objectives of base compensation are to recognize market pay and acknowledge the competencies and skills of individuals. The base compensation paid to the NEOs shall be determined on a review by the board of directors as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base compensation and the amount of any such increase shall be in the sole discretion of the board of directors.

(b) Incentive Bonuses

The objectives of incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performance for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the fiscal year ended December 31, 2011.

(c) Long-term Incentives

Long-term incentive compensation is provided through the granting of stock options. This incentive arrangement is designed to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. No stock options are currently outstanding and no stock options were granted to NEOs, other executive officers and employees during the fiscal year ended December 31, 2011.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly for the fiscal year ended December 31, 2011 to the NEOs or other individuals (to a maximum of three) who are the most highly compensated executive officers of the Issuer. Total compensation encompasses, as applicable, regular salary, dollar amount of option awards, non-equity incentive plan compensation which would include discretionary and non-discretionary bonuses, pension value with compensatory amounts for both defined and non-defined contribution retirement plans, and all other compensation which could include perquisites, tax gross-ups, premiums for certain insurance policies, payments resulting from termination, resignation, retirement or a change in control and all other amounts not reported in another column.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other Compensation ($)	Total compensation ($)
					Annual Incentive Plans	Long-term incentive plans			
Thomas Larsen[1, 3] President and CEO	2011 2010 2009	96,000 96,000 96,000	NIL	NIL	NIL	NIL	NIL	NIL	96,000 96,000 96,000
Miles Nagamatsu[2] CFO	2011 2010 2009	72,000 72,000 72,000	NIL	NIL	NIL	NIL	NIL	NIL	72,000 72,000 72,000

Notes:

(1) To be paid to 847785 Ontario Ltd., a company controlled by Thomas Larsen, as consulting fee pursuant to a contractual agreement.

(2) To be paid to Marlborough Management Limited, a company controlled by Miles Nagamatsu, as consulting fee pursuant to a contractual agreement.

(3) Mr. Larsen resigned effective May 29, 2012.

OUTSTANDING SHARE-BASED AWARDS AND OPTION BASED AWARDS

The following table sets forth information concerning all option-based and share-based awards granted to the NEOs to purchase or acquire securities of the Issuer outstanding at the end of the most recently completed financial year ended December 31, 2011.

	Option-based awards				Share-based awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**[3]
Thomas Larsen President and CEO	NIL	NIL	NIL	NIL	NIL	NIL
Miles Nagamatsu CFO	NIL	NIL	NIL	NIL	NIL	NIL

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides information regarding the value vested or earned of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year ended December 31, 2011.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vesting during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Thomas Larsen President and CEO	N/A	N/A	N/A
Miles Nagamatsu CFO	N/A	N/A	N/A

PENSION PLAN BENEFITS

No pension plan or retirement benefit plans have been instituted by the Issuer and non are proposed at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

As of the date of the most recently completed financial year ended December 31, 2011, the Corporation had written contracts with the NEOs as follows:

Thomas Larsen - The Corporation has a consulting contract with a company controlled by its Chief Executive Officer, Thomas G. Larsen, to provide his services. The contract was originally for a one-year period expiring in November 1997, and in accordance with its terms, was automatically extended thereafter on an annual basis for additional terms of one year. Under the terms of the contract, Mr. Larsen's company currently receives annual fees of $96,000. In the event of termination of such services of Mr. Larsen for just cause, the Corporation shall not be liable to pay any amount as a consequence of such termination, whether as severance pay, payment in lieu of notice, damages or otherwise. If there is a change in control of the Corporation which results in the termination of office for Mr. Larsen, his company would be entitled to receive an amount equal to two times his then current annual compensation. Mr. Larsen would also be entitled to exercise any unexercised stock options granted to Mr. Larsen under the provisions of the Corporation's stock option plan for a period of up to two years after the termination date.

Miles Nagamatsu - The Corporation has a consulting contract with a company controlled by its Chief Financial Officer, Miles Nagamatsu, to provide his services. The contract was originally for a one-year period expiring in November 1997, and, in accordance with its terms, was automatically extended thereafter on an annual basis for additional terms of one year. Under the terms of the contract, Mr. Nagamatsu's company currently receives annual fees of $72,000. In the event of termination of

such services of Mr. Nagamatsu for just cause, the Corporation shall not be liable to pay any amount as a consequence of such termination, whether as severance pay, payment in lieu of notice, damages or otherwise. If there is a change in control of the Corporation which results in the termination of office for Mr. Nagamatsu, his company would be entitled to receive an amount equal to two times his then current annual compensation. Mr. Nagamatsu would also be entitled to exercise any unexercised stock options granted to Mr. Nagamatsu under the provisions of the Corporation's stock option plan for a period of up to two years after the termination date.

The following table details the estimated payments, payables and benefits triggered by a termination without cause or as a result of a change of control for each of the NEOs, assuming the triggering event took place on December 31, 2011. This table assumes that all compensation currently owed to the NEOs as at December 31, 2011 has been paid.

Name	Salary ($)	Performance Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total compensation ($)
Thomas Larsen President and CEO	192,000	N/A	Nil	N/A	Nil	192,000
Miles Nagamatsu CFO	144,000	N/A	Nil	N/A	Nil	144,000

DIRECTOR COMPENSATION TABLE

During the year ended December 31, 2011, directors of the Issuer were not provided with any compensation. Additionally, no options were granted to directors of the Issuers.

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Issuer, other than the NEOs, during the most recently completed financial year ended December 31, 2011.

Name	Fees Earned ($)	Share-based awards ($)	Option-based awards[(1)] ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Kenneth Friedman	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Francis Sauve	NIL	NIL	NIL	NIL	NIL	NIL	NIL
John Langton	NIL	NIL	NIL	NIL	NIL	NIL	NIL

OUTSTANDING SHARE-BASED AWARDS AND OPTION BASED AWARDS

The following table sets forth the options granted to the directors of the Issuer who are not NEOs to purchase securities of the Issuer outstanding at the end of most recently completed financial year ended December 31, 2011.

	Option-based awards				**Share-based awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option Exercise Price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested**
Kenneth Friedman	NIL	NIL	NIL	N/A	N/A	N/A
Francis Sauve	NIL	NIL	NIL	N/A	N/A	N/A
John Langton	NIL	NIL	NIL	N/A	N/A	N/A

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out information as at December 31, 2011 with respect to compensation plans under which equity securities of the Issuer are authorized for issuance to employees or non-employees such as directors and consultants. The Issuer has only one plan which falls within this description, the Stock Option Plan. See detailed description under section 14.3 of the Listing Statement.

Plan Category	**(A) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)**	**(B) Weighted average option price of outstanding options, warrants and rights ($)**	**(C) Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column a) (#)**
Equity compensation plans approved by security	Nil	N/A	2,156,660[1]
Equity compensation plans not approved by security	N/A	N/A	Nil
Total	Nil	N/A	2,156,660

(1) Based on 10% of the 21,566,604 Common Shares outstanding on December 31, 2011 before the consolidation effective May 4, 2012 on a four to one basis.

APPENDIX G

Northfield Metals Inc.

Financial Statements

December 31, 2011 and 2010

Northfield Metals Inc.
Statements of Financial Position

(expressed in Canadian dollars)

	Notes	As at December 31, 2011 $	2010 $ (note 3)	As at January 1, 2010 $ (note 3)
Assets				
Current				
Cash		1,165	46,909	40,811
Receivables		26,634	7,932	9,510
Marketable securities	5	115,370	155,449	56,160
Prepaid expenses		20,000	-	-
		163,168	210,289	106,480
Equipment		-	-	15,000
		163,168	210,289	121,480
Liabilities				
Current				
Accounts payable and accrued liabilities	6, 13	1,348,806	1,067,916	819,941
Due to Champion Minerals Inc.	7	25,304	9,304	-
Due to Eloro Resources Ltd.	8	43,482	43,482	23,482
		1,417,592	1,120,703	843,423
Shareholders' equity				
Share capital	9	1,666,399	1,666,399	1,666,399
Contributed surplus		18,000	18,000	18,000
Deficit		(2,938,822)	(2,594,812)	(2,406,341)
		(1,254,424)	(910,413)	(721,942)
		163,168	210,289	121,481

Approved by the Board:

Thomas Larsen
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.
Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	Notes	Years ended December 31, 2011 $	2010 $ (note 3)
Expenses			
Professional fees		20,503	13,375
Consulting fees		240,000	240,000
General and adminstrative		11,831	12,993
		272,334	266,368
Loss before the undernoted item		(272,334)	(266,368)
Writedown of equipment		-	(15,000)
Increase (decrease) in fair value of marketable		(71,676)	82,294
Gain on settlement of debts	6	-	10,603
Loss and comprehensive loss		(344,010)	(188,471)
Loss per common share-basic and diluted		(0.016)	(0.009)
Weighted average number of common shares-basic and diluted		21,566,604	21,566,604

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

Northfield Metals Inc.
Statements of Changes in Equity

(expressed in Canadian dollars)

	Share capital $	Contributed surplus $	Deficit $	Total $
Balance, December 31, 2010	1,666,399	18,000	(2,594,812)	(910,413)
Loss	-	-	(344,010)	(344,010)
Balance, December 31, 2011	1,666,399	18,000	(2,938,822)	(1,254,423)
Balance, December 31, 2009	1,666,399	18,000	(2,406,341)	(721,942)
Loss	-	-	(188,471)	(188,471)
Balance, December 31, 2010	1,666,399	18,000	(2,594,812)	(910,413)

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

Northfield Metals Inc.
Statements of Cash Flows

(expressed in Canadian dollars)

	Years ended December 31,	
	2011	**2010**
	$	**$**
		(note 3)
Cash provided by (used in)		
Operating activities		
Loss	(344,010)	(188,471)
Item not affecting cash		
Writedown of equipment	-	15,000
Decrease (increase) in fair value of marketable	71,676	(82,294)
Gain on settlement of debts	-	(10,603)
Changes in non-cash working capital		
Receivables	(18,703)	1,578
Prepaid expenses	(20,000)	-
Accounts payable and accrued liabilities	276,343	258,579
	(34,694)	(6,211)
Financing activities		
Advances from Champion Minerals Inc.	16,000	9,304
Advances from Eloro Resources Ltd.	-	20,000
	16,000	29,304
Investing activities		
Purchase of marketable securities	(27,051)	(16,995)
Net decrease in cash	(45,745)	6,098
Cash, beginning of period	46,909	40,811
Cash, end of period	1,165	46,909

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

Northfield Metals Inc.
Notes to Financial Statements
December 31, 2011 and 2010

1. Nature of operations

Northfield Metals Inc. (the "Company") is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

2. Going concern

The Company is in the exploration stage and has no revenue. As at December 31, 2011, the Company had a working capital deficit of $1,254,424, which included cash of $1,165, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation and adoption of International Financial Reporting Standards ("IFRS")

Statement of compliance

The financial statements are prepared in accordance with IFRS using accounting policies consistent with IFRS, including the application of IFRS 1, *First-time Adoption of IFRS*.

The financial statements were authorized for issue by the Board of Directors on April 30, 2012.

Basis of measurement

These financial statements have been prepared on the historical cost basis, except for marketable securities, which are measured at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts reported in these financial statements and related note disclosures. Actual results could differ materially from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions and estimation uncertainties include:

- the provision for deferred income taxes based on estimated tax bases using substantively enacted tax rates expected to apply to taxable income during the years in which the differences are expected to be recovered or settled.

First-time Adoption of IFRS

In prior year, the Company's financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. Under IFRS 1, IFRS standards are applied retrospectively at the transition date subject to certain exceptions and exemptions.

Optional exemptions
The Company applied the following optional exemptions to full retrospective application of IFRS and made the following adjustments to transition from Canadian GAAP to IFRS:

Business combinations
IFRS 1 allows for IFRS 3, *Business Combinations*, to be applied retrospectively or prospectively. The Company elected to adopt IFRS 3 prospectively to business combinations subsequent to the date of transition. Accordingly, all business combinations after January 1, 2010 will be accounted for in accordance with IFRS 3.

Share-based payment transactions
IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company elected to not apply IFRS 2, *Share-based Payment,* to share-based payments granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as at January 1, 2010.

Reconciliations
The adoption of IFRS resulted in no changes to the statements of financial position as at January 1, 2010 and December 31, 2010 and the statements of loss and comprehensive loss and cash flows for the year ended December 31, 2010 previously presented under Canadian GAAP compared to the financial statements prepared under IFRS, and accordingly, no reconciliations are presented.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Financial instruments

Non-derivative financial assets
The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

The Company has classified marketable securities as fair value through profit or loss.

Held-to-maturity financial assets
If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the Company from classifying investment securities as held to maturity for the current and the following two financial years.

The Company has not classified any financial asset as held-to-maturity.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company has classified cash and receivables as loans and receivables.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

The Company has not classified any financial asset as available-for-sale.

Non-derivative financial liabilities
The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified accounts payable, due to Champion Minerals Inc. and due to Eloro Resources Ltd. as other liabilities.

Impairment of non-derivative financial assets
A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets carried at amortized cost
An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the financial asset is reduced by the amount of the impairment loss and the impairment loss is recognized in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets
An impairment loss in respect of a financial asset classified as available-for-sale is calculated as the difference between the acquisition cost and the current fair value, less any impairment loss recognized previously in profit or loss. The impairment loss is recognized by reclassifying the loss from equity to profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss, except in the case of equity investments where the decrease in impairment loss is recognized in other comprehensive income.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based payments
The Company offers a stock option plan for its directors, officers, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Income tax
Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted.

New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013.

IFRS 9, Financial Instruments ("IFRS 9")

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

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

IFRS 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer 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 venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

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 measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

Effect of new standards
None of these new standards is expected to have a significant effect on the financial statements of the Company, except IFRS 9, which could change the classification and measurement of financial assets. The Company has not determined the extent of the impact of this new standard and does not plan to adopt this new standard early.

5. Marketable securities
Marketable securities include the following investments in related parties:

	December 31, 2011		December 31, 2010		January 1, 2010	
	Cost	Fair value	Cost	Fair value	Cost	Fair value
	$	$	$	$	$	$
Eloro Resources Ltd. (“Eloro”)	66,429	37,670	34,832	22,480	34,832	30,910
Champion Minerals Inc. (“Champion”)	27,461	77,145	27,461	130,980	10,466	23,075
Bear Lake Gold Ltd. (“Bear Lake”)	5,375	525	5,375	1,989	5,375	2,175
	99,265	115,370	67,668	155,449	50,673	56,160

Two directors of the Company are directors of Eloro, two directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

6. Accounts payable and accrued liabilities
During the year ended December 31, 2010, legal recourse to recover certain accounts payable became statute barred and therefore, the Company recorded a gain on settlement of debts of $10,603.

7. Due to Champion Minerals Inc. (“Champion”)
The amount due to Champion is unsecured, non-interest bearing and payable on demand. Two directors of the Company are directors of Champion.

8. Due to Eloro Resources Ltd. (“Eloro”)
The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Two directors of the Company are directors of Eloro.

9. Share capital

Authorized
An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of common shares	Amount $
Balance, December 31, 2009, 2010 and 2011	21,566,604	1,666,399

Share consolidation
On July 28, 2011, the shareholders of the Company approved the consolidation of the issued common shares on the basis of 1 new share for up to 4 old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at April 30 2012, no share consolidation had been effected.

Stock options
The Company may grant options to its directors, officers, employees and consultants for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2011 and December 31, 2010 and January 1, 2010, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

10. Capital management
Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

11. Financial instruments and risk management

Fair value
Fair value represents the amount at which a financial instrument could be exchanged between willing parties.

The carrying value of cash, accounts payable and accrued liabilities, due to Eloro and Champion approximates fair value due to the short-term nature of these financial instruments.

Fair value hierarchy
The Company measures the fair value of its financial assets and financial liabilities based on the classification of the fair values in a hierarchy comprising three levels, which reflects the significance of the inputs used in making the measurements, described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: inputs for the asset or liability that are not based on observable market data.

Marketable securities are classified as Level 1 financial assets for all years.

Financial risk management
The Company has exposure to credit risk, liquidity risk and market risk with respect to its financial instruments.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The Company's limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2011 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $28,842.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

12. Income taxes
The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 28.25% (2010 - 30.99%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2011 **$**	**2010** **$**
Expected income tax recovery based on statutory rate	(97,000)	(58,000)
Increase (decrease) resulting from:		
Gain on settlement of debts	–	(3,000)
Effect on change in rates (other)	12,000	(11,000)
Unrecorded tax benefit of losses	85,000	83,000
Other	–	(11,000)
	–	–

Deferred income tax balances
The Company's deferred income tax assets are as follows:

	2011 $	2010 $
Non-capital loss carryforward	372,000	477,000
Capital loss carryforward	2,800,000	2,801,000
Canadian exploration and evaluation	114,000	111,000
Foreign exploration and evaluation	355,000	358,000
Other	(2,000)	(21,000)
	3,639,000	3,726,000
Benefit of future tax assets not recorded	(3,639,000)	(3,726,000)
	–	–

Due to losses incurred in the current year and expected future operating results, management determined that it is unlikely that the deferred income tax assets will be realized. Accordingly, the future income tax assets have not been recorded.

Losses carried forward
At December 31, 2011, the Company had non-capital loss carryforwards which expire as follows:

	$
2015	68,000
2026	390,000
2028	304,000
2029	455,000
2030	269,000
	1,486,000

As at December 31, 2011, the Company had resource deductions of $1,875,000 which may be carried forward indefinitely to reduce taxable income in future years and capital losses of approximately $20,000,000 which may be carried forward indefinitely to be applied against capital gains in future years.

13. Related party transactions

	Years ended December 31,				Outstanding as at January 1,
	2011 $	2010 $	2011 $	2010 $	2010
Consulting fees for key management personnel payable pursuant to consulting contracts to three companies controlled by three officers, two of whom are also directors	240,000	240,000	1,227,600	956,400	694,800

Northfield Metals Inc.

(an exploration stage company)

Financial Statements

December 31, 2010

Collins Barrow
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of

Northfield Metals Inc.

We have audited the accompanying financial statements of Northfield Metals Inc., which comprise the balance sheets as at December 31, 2010 and 2009 and the statements of operations and deficit and cash flow for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northfield Metals Inc. as at December 31, 2010 and 2009, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Northfield Metals Inc. incurred a net loss of 249,990 during the year ended December 31, 2010 and, as of that date; the Company's current liability exceeded its total assets by $910,413. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants

April 29, 2011
Toronto, Ontario

Northfield Metals Inc.

(an exploration stage company)

Balance Sheets

	As st December 31, 2010 $	2009 $
Assets		
Current		
Cash	46,909	40,811
Receivables	7,932	9,510
Marketable securities (note 3)	155,448	56,160
	210,289	106,480
Equipment (note 4)	-	15,000
	210,289	121,481
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 5 and 12)	1,067,916	819,941
Due to Champion Minerals Inc. (note 6)	9,304	-
Due to Eloro Resources Ltd. (note 7)	43,482	23,482
	1,120,702	843,423
Shareholders' equity		
Share capital (note 8)	1,666,399	1,666,399
Contributed surplus	18,000	18,000
Deficit	(2,594,812)	(2,406,341)
	(910,413)	(721,942)
	210,289	121,481

Approved by the Board:

Thomas Larsen
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.

(an exploration stage company)

Statements of Operations and Deficit

	Years ended December 31, 2010 $	2009 $	Cumulative from January 1, 2003 to December 31, 2010 $ (note 1)
General and administrative expenses			
Professional fees	13,375	32,534	346,685
Consulting fees (note 12)	240,000	240,000	2,195,669
General office	12,993	11,302	438,367
	266,368	283,836	2,980,721
Loss before the undernoted items	(266,368)	(283,836)	(2,980,721)
Writedown of equipment (note 4)	(15,000)	-	(20,978)
Writedown of amount due from Wavex International Inc.	-	-	(40,928)
Writedown of mineral resource property		-	(608,779)
Gain on sale of marketable securities	-	-	332,875
Increase in fair value of marketable securities	82,294	25,759	65,592
Forgiveness of debt	-	-	902,434
Gain on settlement of debts (note 5)	10,603	6,108	544,232
Other income	-	3,979	3,979
Loss and comprehensive loss for the period	(188,471)	(247,990)	(1,802,294)
Transitional adjustment for increase in fair value of marketable securities	-	-	22,188
Reduction in stated capital	-	-	45,400,853
Deficit, beginning of period	(2,406,341)	(2,158,351)	(46,215,559)
Deficit, end of period	(2,594,812)	(2,406,341)	(2,594,812)
Loss per common share-basic and diluted	(0.009)	(0.011)	
Weighted average number of common shares-basic and diluted	21,566,604	21,566,604	

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

Northfield Metals Inc.

(an exploration stage company)

Statements of Cash Flows

	Years ended December 31, 2010 $	2009 $	Cumulative from January 1, 2003 to December 31, 2010 $ (note 1)
Cash provided by (used in)			
Operating activities			
Loss	(188,471)	(247,990)	(1,802,293)
Items not affecting cash			
Writedown of equipment	15,000	-	20,978
Writedown of amount due from Wavex International Inc.	-	-	40,928
Writedown of mineral resource property	-	-	608,779
Gain on sale of marketable securities	-	-	(332,875)
Increase in fair value of marketable securities	(82,294)	(25,759)	(65,592)
Forgiveness of debt	-	-	(902,433)
Gain on settlement of debts	(10,603)	(6,108)	(544,232)
Changes in non-cash operating working capital			
Receivables	1,578	(6,341)	907
Accounts payable and accrued liabilities	258,579	263,042	1,967,856
	(6,212)	(23,156)	(1,007,977)
Financing activities			
Bank indebtedness	-	-	(23,308)
Common shares issued for cash	-	-	595,000
Exercise of warrants	-	-	225,663
Repayment of loan	-	-	(84,481)
Advances	-	-	15,000
Advances from Bear Lake Gold Ltd.	-	-	305,695
Advances from Champion Minerals Inc.	9,304	-	9,304
Advances from Eloro Resources Ltd.	20,000	-	62,700
Advances to Wavex International Inc.	-	-	(53,428)
Share issue costs	-	-	(6,694)
	29,304	-	1,045,451
Investing activities			
Purchase of marketable securities	(16,995)	(14,875)	(102,881)
Investment in Bear Lake Gold Ltd.	-	-	(147,761)
Proceeds on sale of marketable securities	-	-	138,555
Proceeds on sale of investment in Bear Lake Gold Ltd.	-	-	481,279
Mineral resource property expenditures	-	-	(338,779)
Purchase of equipment	-	-	(20,978)
	(16,995)	(14,875)	9,435
Net increase (decrease) in cash	6,097	(38,031)	46,909
Cash, beginning of period	40,811	78,842	-
Cash, end of period	46,908	40,811	46,909

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

Northfield Metals Inc.
(an exploration stage company)
Notes to Financial Statements
December 31, 2010

1 Nature of operations and continuance of operations

Northfield Metals Inc. (the "Company") was incorporated under the laws of Ontario. The Company re-entered the exploration stage on January 1, 2003 with its decision to operate in the exploration and development of mineral properties and extraction of precious metals in Canada and internationally.

The Company is in the exploration stage and as at December 31, 2008 had written off its mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to acquire and complete the exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of mineral resource properties.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at December 31, 2010, the Company had a working capital deficit of $910,413 (2009 - $721,942), which included cash of $46,909 (2009 -$40,811), which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. However, without the continued support of its creditors and additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements, however, there can be no assurance that additional funding will be available.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. and these adjustments could be material.

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Marketable securities
Marketable securities are valued at fair value using the last bid price.

Mineral resource properties
Costs relating to the acquisition, exploration and development of the mineral resource properties are deferred until the properties are brought into commercial production, at which time, they are amortized over the estimated useful life of the related properties on a unit-of-production basis. The cost of the mineral resource properties includes the cash consideration and the fair value of shares issued on the date the properties are acquired. The proceeds from options granted on the properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations.

Asset retirement obligations
The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. The Company has not incurred and is not committed to any asset retirement obligations in respect of its mineral resource properties.

2 Summary of significant accounting policies (continued)

Stock-based compensation
The Company enters into transactions in which services are the consideration received for the issuance of stock or stock-based instruments. The value of these transactions are measured and accounted for, based on the fair value of the equity instruments issued or the value of the services, whichever is more reliably measurable. Stock-based compensation for instruments awarded to non-employees is expensed in the year during which the services are rendered. Stock-based compensation for instruments awarded to employees is expensed over the vesting period of the instrument.

Income taxes
Income taxes are recorded using the asset and liability method of income tax allocation. Future income tax relates to the expected consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment at the time that the differences are expected to reverse.

Loss per share
The basic loss per share is calculated by dividing the loss applicable to the common shares by the weighted average number of shares outstanding during the year. Fully diluted loss per share is calculated using the treasury stock method and reflects the potential dilution by including stock options and contingently issuable shares, in the weighted average number of common shares outstanding for the year.

Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the recorded amounts of income and expenses for the reporting period. There are no significant areas requiring the use of management estimates.

Financial instruments
Financial instruments are measured at fair value on initial recognition and valued in subsequent periods based upon their classification as held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities classified as held-for-trading are valued at fair value with gains and losses recognized in income. Financial assets classified as available-for-sale are valued at fair value with unrealized gains and losses recognizing in other comprehensive income. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities classified as other liabilities are valued at amortized cost using the effective interest rate method. The Company has classified its cash and marketable securities as held-for-trading; due to Eloro and Champion and accounts payable and accrued liabilities as other financial liabilities.

The Company measures the fair value of its financial assets and financial liabilities based on the classification of the fair values in a hierarchy comprising three levels, which reflects the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Transaction costs
Transaction costs for financial instruments classified as held-for-trading are expensed as incurred.

2 Summary of significant accounting policies (continued)

Future accounting changes
On January 1, 2011, the Company will adopt CICA Handbook Section 1582, "Business Combinations", which will replace Section 1581, "Business Combinations". The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On January 1, 2011, the Company will adopt CICA Handbook Sections 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests", which together, will replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company's financial statements.

International Financial Reporting Standards ("IFRS"):
In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian generally accepted accounting principles will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS commencing with the interim financial statements for the 3 months ended March 31, 2011. The changeover date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3 Marketable securities

Marketable securities include the following investments in related parties:

	2010		2009	
	Fair value	**Cost**	**Fair value**	**Cost**
	$	**$**	**$**	**$**
Eloro Resources Ltd. ("Eloro")	22,480	34,832	30,910	34,832
Champion Minerals Inc. ("Champion")	130,980	27,461	23,075	10,466
Bear Lake Gold Ltd. ("Bear Lake")	1,988	5,375	2,175	5,375
	155,448	67,668	56,160	50,673

Three directors of the Company are directors of Eloro, three directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

4 Equipment

During the year ended December 31, 2010, equipment previously classified as held-for-sale was written off.

5 Accounts payable and accrued liabilities

During the year ended December 31, 2010, legal recourse to recover certain accounts payable became statute barred and therefore, the Company recorded a gain on settlement of debts of $10,603 (2009 - $6,108).

6 Due to Champion Minerals Inc. ("Champion")

The amount due to Champion is unsecured, non-interest bearing and payable on demand. Three directors of the Company are directors of Champion.

7 Due to Eloro Resources Ltd. ("Eloro")

The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Three directors of the Company are directors of Eloro.

8 Share capital

Authorized
An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of common shares	Amount $
Balance as at December 31, 2008, 2009 and 2010	21,566,604	1,666,399

Share consolidation
On June 30, 2010, the shareholders of the Company approved the consolidation of the issued common shares on the basis of 1 new share for up to 4 old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at December 31, 2010, no share consolidation has yet been effected.

Stock options
The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2009 and December 31, 2010, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

9 Capital disclosures

Capital of the Company consists of the equity attributable to the common shareholders, comprised of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource property for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. 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 the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

10 Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 30.99% (2008 - 33%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2010 $	2009 $
Expected income tax expense (recovery) based on statutory rate	(58,000)	(82,000)
Increase (decrease) resulting from:		
Gain on settlement of debts	(3,000)	(2,000)
Effect on change in rates (other)	(11,000)	(61,000)
Unrecorded tax benefit of losses	83,000	150,000
Other	(11,000)	(5,000)
	—	—

Future income tax balances
The Company's future income tax assets are as follows:

	2010 $	2009 $
Non-capital loss carryforward	477,000	556,000
Capital loss carryforward	2,801,000	2,801,000
Canadian exploration development	111,000	111,000
Foreign exploration and development	358,000	358,000
Other	(21,000)	5,000
	3,726,000	3,830,000
Valuation allowance	(3,726,000)	(3,830,000)
	—	—

Due to losses incurred in the current year and expected future operating results, management determined that it is more likely than not that the future income tax assets will not be realized. Accordingly, a valuation allowance has been recorded for the future income tax assets.

Losses carried forward

At December 31, 2010, the Company had non-capital loss carryforwards which expire as follows:

	$
2014	363,000
2015	126,000
2026	390,000
2028	304,000
2029	455,000
2030	269,000
	1,907,000

As at December 31, 2010, the Company had resource deductions of $1,875,000 which may be carried forward indefinitely to reduce taxable income in future years and capital losses of approximately $20,000,000 which may be carried forward indefinitely to be applied against capital gains in future years.

11 Financial instruments and risk management

Fair value
Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair values estimates are based on quoted market values and other valuation methods.

The carrying value of cash, accounts payable and accrued liabilities, due to Eloro and Champion approximates fair value due to the short-term nature of these financial instruments.

Fair value hierarchy

Financial instruments measured at fair value classified using the fair value hierarchy described in note 1:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial asset held-for-trading				
Cash and marketable securities	202,357	—	—	202,357

Level 1 investments are comprised of cash and publicly-traded equity securities carried at fair value based on available quoted prices.

Income statement disclosures

	2010 $	2009 $
For financial assets held for trading		
Net gain (losses) on investments		
Unrealized	82,294	25,759

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

Currency risk
As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Market risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments. The Company is exposed to fair value fluctuations on its marketable securities. The Company estimates that if the fair value of its marketable securities as at December 31, 2010 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $38,862.

Credit risk
Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 9. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand.

11 Financial instruments and risk management (continued)

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

12 Related party transactions

During the year, consulting fees of $240,000 (2009 - $240,000) were incurred to companies controlled by three officers, two of whom are also directors of the Company. As at December 31, 2010, accounts payable included $956,400 (2009 - $694,800) owed to the companies in respect of unpaid consulting fees. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Northfield Metals Inc.

(an exploration stage company)

Financial Statements

December 31, 2009

Collins Barrow
Chartered Accountants

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AUDITORS' REPORT

To the Shareholders of
Northfield Metals Inc.

We have audited the balance sheets of Northfield Metals Inc. as at December 31, 2009 and 2008 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and 2008 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
February 17, 2010

Northfield Metals Inc.

(an exploration stage company)

Balance Sheets

	As at December 31, 2009 $	2008 $
Assets		
Current		
Cash	40,811	78,842
Receivables	9,510	3,169
Marketable securities (note 3)	56,160	15,526
Equipment (note 4)	15,000	15,000
	121,481	112,537
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	819,941	563,007
Due to Eloro Resources Ltd. (note 7)	23,482	23,482
	843,423	586,489
Shareholders' equity		
Share capital (note 8)	1,666,399	1,666,399
Contributed surplus	18,000	18,000
Deficit	(2,406,341)	(2,158,351)
	(721,942)	(473,952)
	121,481	112,537

Approved by the Board:

Thomas Larsen
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.

(an exploration stage company)

Statements of Operations and Deficit

	Years ended December 31, 2009 $	2008 $	Cumulative from January 1, 2003 to December 31, 2009 $ (note 1)
General and administrative expenses			
Professional fees	32,534	23,348	333,310
Consulting fees (note 12)	240,000	246,300	1,955,669
General office	11,302	32,266	425,374
	283,836	301,914	2,714,353
Loss before the undernoted items	(283,836)	(301,914)	(2,714,353)
Writedown of equipment held for resale	-	(5,978)	(5,978)
Writedown of amount due from Wavex International Inc.	-	-	(40,928)
Writedown of mineral resource property (note 5)	-	(443,317)	(608,779)
Gain on sale of marketable securities	-	-	332,875
Increase (decrease) in fair value of marketable securities	25,759	(32,538)	(16,702)
Forgiveness of debt	-	-	902,434
Gain on settlement of debts	6,108	187,834	533,629
Other income	3,979	-	3,979
Loss and comprehensive loss for the period	(247,990)	(595,913)	(1,613,823)
Transitional adjustment for increase in fair value of marketable securities	-	-	22,188
Reduction in stated capital	-	-	45,400,853
Deficit, beginning of year	(2,158,351)	(1,562,438)	(46,215,559)
Deficit, end of year	(2,406,341)	(2,158,351)	(2,406,341)
Loss per common share-basic and diluted	(0.011)	(0.028)	
Weighted average number of common shares-basic and diluted	21,566,604	21,566,604	

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

Northfield Metals Inc.

(an exploration stage company)

Statements of Cash Flows

	Years ended December 31, 2009 $	2008 $	Cumulative from January 1, 2003 to December 31, 2009 $ (note 1)
Cash provided by (used in)			
Operating activities			
Loss	(247,990)	(595,913)	(1,613,823)
Items not affecting cash			
Writedown of equipment held for resale	-	5,978	5,978
Writedown of amount due from Wavex International Inc.	-	-	40,928
Writedown of mineral resource property	-	443,317	608,779
Gain on sale of marketable securities	-	-	(332,875)
Decrease (increase) in fair value of marketable securities	(25,759)	32,538	16,702
Forgiveness of debt	-	-	(902,433)
Gain on settlement of debts	(6,108)	(187,834)	(533,629)
Changes in non-cash operating working capital			
Receivables	(6,341)	27,496	(671)
Accounts payable and accrued liabilities	263,042	203,906	1,709,278
	(23,156)	(70,511)	(1,001,766)
Financing activities			
Bank indebtedness	-	-	(23,308)
Common shares issued for cash	-	-	595,000
Exercise of warrants	-	-	225,663
Repayment of loan	-	-	(84,481)
Advances	-	-	15,000
Advances from Bear Lake Gold Ltd.	-	-	305,695
Advances from Eloro Resources Ltd.	-	-	42,700
Advances to Wavex International Inc.	-	-	(53,428)
Share issue costs	-	-	(6,694)
	-	-	1,016,147
Investing activities			
Purchase of marketable securities	(14,875)	(19,031)	(85,886)
Investment in Bear Lake Gold Ltd.	-	-	(147,761)
Proceeds on sale of marketable securities	-	-	138,555
Proceeds on sale of investment in Bear Lake Gold Ltd.	-	-	481,279
Mineral resource property expenditures	-	(115,976)	(338,779)
Purchase of equipment	-	(20,978)	(20,978)
	(14,875)	(155,985)	26,430
Net increase (decrease) in cash	(38,031)	(226,496)	40,811
Cash, beginning of year	78,842	305,338	-
Cash, end of year	40,811	78,842	40,811

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

Northfield Metals Inc.
(an exploration stage company)
Notes to Financial Statements
December 31, 2009 and 2008

1 Nature of operations and continuance of operations

Northfield Metals Inc. (the "Company") was incorporated under the laws of Ontario. The Company re-entered the exploration stage on January 1, 2003 with its decision to operate in the exploration and development of mineral properties and extraction of precious metals in Canada and internationally.

The Company is in the exploration stage and as at December 31, 2008 had written off its mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to acquire and complete the exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of mineral resource properties.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at December 31, 2009, the Company had a working capital deficit of $721,942, which included cash of $40,811, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. However, without the continued support of its creditors and additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements, however, there can be no assurance that additional funding will be available.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Marketable securities
Marketable securities are valued at fair value using the last bid price.

Mineral resource properties
Costs relating to the acquisition, exploration and development of the mineral resource properties are deferred until the properties are brought into commercial production, at which time, they are amortized over the estimated useful life of the related properties on a unit-of-production basis. The cost of the mineral resource properties includes the cash consideration and the fair value of shares issued on the date the properties are acquired. The proceeds from options granted on the properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations.

Asset retirement obligations
The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. The Company has not incurred and is not committed to any asset retirement obligations in respect of its mineral resource properties.

Stock-based compensation
The Company enters into transactions in which services are the consideration received for the issuance of stock or stock-based instruments. The value of these transactions are measured and accounted for, based on the fair value of the equity instruments issued or the value of the services, whichever is more reliably measurable. Stock-based compensation for instruments awarded to non-employees is expensed in the year during which the services are rendered. Stock-based compensation for instruments awarded to employees is expensed over the vesting period of the instrument.

Income taxes
Income taxes are recorded using the asset and liability method of income tax allocation. Future income tax relates to the expected consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment at the time that the differences are expected to reverse.

Loss per share
The basic loss per share is calculated by dividing the loss applicable to the common shares by the weighted average number of shares outstanding during the year. Fully diluted loss per share is calculated using the treasury stock method and reflects the potential dilution by including stock options and contingently issuable shares, in the weighted average number of common shares outstanding for the year.

Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the recorded amounts of income and expenses for the reporting period. The significant areas requiring the use of management estimates are the carrying value of mineral resource properties and the valuation of common shares issued for the acquisition of mineral resource properties and debt settlements. Actual results could differ from those estimates.

Financial instruments
Financial instruments are measured at fair value on initial recognition and valued in subsequent periods based upon their classification as held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities classified as held-for-trading are valued at fair value with gains and losses recognized in income. Financial assets classified as available-for-sale are valued at fair value with unrealized gains and losses recognizing in other comprehensive income. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities classified as other liabilities are valued at amortized cost using the effective interest rate method. The Company has classified its cash and marketable securities as held-for-trading; due to Eloro Resources Ltd. and accounts payable and accrued liabilities as other financial liabilities.

Transaction costs
Transaction costs for financial instruments classified as held-for-trading are expensed as incurred.

Accounting changes
On January 1, 2009, the Company adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets” which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

On January 1, 2009, the Company adopted amendments to CICA Handbook Section 1000, “Financial Statement Concepts” which clarify the criteria for the recognition of an asset specifically as it relates to the use of the matching principle. Accordingly, certain items that may have been previously recognized as assets may not be able to be reflected as such under the new recommendations. The adoption of this amended accounting standard did not have an effect on the Company’s financial position or results of operations.

The adoption of these new standards did not have an effect on the Company’s financial statements.

On June 1, 2009, the Company adopted amendments to CICA Handbook Section 3862, "Financial Instruments - Disclosures" which included amendments for additional disclosures about fair value measurements of financial instruments and enhanced liquidity risk disclosure. The additional fair value measurement disclosures include the classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Future accounting changes
On January 1, 2011, the Company will adopt CICA Handbook Section 1582, "Business Combinations", which will replace Section 1581, "Business Combinations". The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On January 1, 2011, the Company will adopt CICA Handbook Sections 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests", which together, will replace section 1600, "Consolidated Financial Statements". Section 1601establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company's financial statements.

International Financial Reporting Standards ("IFRS"):
In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian generally accepted accounting principles will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS commencing with the interim financial statements for the 3 months ended March 31, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3 Marketable securities

Marketable securities include the following investments in related parties:

	2009		2008	
	Cost	**Fair value**	**Cost**	**Fair value**
	$	**$**	**$**	**$**
Eloro Resources Ltd. ("Eloro")	34,832	30,910	26,657	10,050
Champion Minerals Inc. ("Champion")	10,466	23,075	3,766	3,150
Bear Lake Gold Ltd. ("Bear Lake")	5,375	2,175	5,375	2,326
	50,673	56,160	35,798	15,526

Three directors of the Company are directors of Eloro, three directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

4 Equipment

Equipment previously classified as held-for-sale has been reclassified as a long-lived asset.

5 Mineral resource properties

Property	December 31, 2007 $	Acquisition costs $	Exploration $	Writeoff $	December 31, 2008 $
Uranium	327,341	—	42,589	(369,930)	—
Otish Uranium	—	—	15,911	(15,911)	—
James Bay Uranium	—	—	57,476	(57, 476)	—
	327,341	—	115,976	(443,317)	—

On December 31, 2008, the Company decided not to proceed with further exploration and wrote off $443,317 of costs incurred on all its properties. During the year ended December 31,2009, the Company had no mineral resource properties and incurred no exploration expenditures.

6 Accounts payable and accrued liabilities

During the year ended December 31, 2009, legal recourse to recover certain accounts payable became statute barred and therefore, the Company recorded a gain on settlement of debts of $6,108 (2008 - $13,769).

7 Due to Eloro Resources Ltd.

The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Three directors of the Company are directors of Eloro.

8 Share capital

Authorized
An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of common shares	Amount $
Balance as at December 31, 2007, 2008 and 2009	21,566,604	1,666,399

Share consolidation
On June 30, 2009, the shareholders of the Company approved the consolidation of the issued common shares on the basis of one new share for up to two old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at December 31, 2009, no share consolidation has yet been effected.

Stock options
The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2008 and December 31, 2009, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

9 Capital disclosures

Capital of the Company consists of the equity attributable to the common shareholders, comprised of share capital and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource property for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. 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 the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

10 Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 33.0% (2008 - 33.5%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2009	**2008**
	$	**$**
Expected income tax expense (recovery) based on statutory rate	(82,000)	(199,000)
Increase (decrease) resulting from:		
Writedown of mineral resource property	—	150,000
Gain on settlement of debts	(2,000)	(63,000)
Effect on change in rates (other)	(61,000)	----
Unrecorded tax benefit of losses	150,000	101,000
Other	(5,000)	11,000
	—	—

Future income tax balances
The Company's future income tax assets are as follows:

		2009	**2008**
		$	**$**
Non-capital loss carryforward	556,000		842,000
Capital loss carryforward	2,801,000		3,250,000
Canadian exploration development	,111,000		129,000
Foreign exploration and development	358,000		213,000
Other	5,000		10,000
	3,830,000		4,444,000
Valuation allowance	(3,830,000)		(4,444,000)
	—		—

10 Income taxes (continued)

Due to losses incurred in the current year and expected future operating results, management determined that it is more likely than not that the future income tax assets will not be realized. Accordingly, a valuation allowance has been recorded for the future income tax assets.

Losses carried forward

At December 31, 2009, the Company had non-capital loss carryforwards which expire as follows:

	$
2010	589,000
2014	363,000
2015	125,000
2026	390,000
2028	304,000
2029	454,503
	2,225,503

As at December 31, 2009, the Company had resource deductions of $1,863,000 which may be carried forward indefinitely to reduce taxable income in future years and capital losses of $20,000,000 which may be carried forward indefinitely to be applied against capital gains in future years.

11 Financial instruments and risk management

Fair value
Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair values estimates are based on quoted market values and other valuation methods.

The carrying value of cash, accounts payable and accrued liabilities, and due to Eloro Resources Ltd. approximates fair value due to the short-term nature of these financial instruments.

Fair value hierarchy

Financial instruments measured at fair value classified using the fair value hierarchy described in note 1:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial asset held-for-trading				
Marketable securities	56,160	–	–	56,160

Level 1 investments are comprised of publicly-traded equity securities carried at fair value based on available quoted prices.

Income statement disclosures

	2009	2008
	$	$
For financial assets held for trading		
Net gain (losses) on investments		
Unrealized	5,486	(20,273)

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

11 Financial instruments and risk management (continued)

Currency risk
As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Market risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments. The Company is exposed to fair value fluctuations on its marketable securities. The Company estimates that if the fair value of its marketable securities as at December 31, 2009 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $14,040.

Credit risk
Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 9. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amount due to Eloro is payable on demand.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

12 Related party transactions

During the year, consulting fees of $240,000 (2008 - $240,000) were incurred to companies controlled by three officers, two of whom are also directors of the Company. As at December 31, 2009, accounts payable included $694,800 (2008 - $442,800) owed to the companies in respect of unpaid consulting fees. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Northfield Metals Inc.

Financial Statements

March 31, 2012
(expressed in Canadian dollars)
(unaudited)

Management's Comments on Unaudited Financial Statements

These unaudited financial statements of Northfield Metals Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited financial statements have not been reviewed by the Company's external auditors.

Northfield Metals Inc.
Statements of Financial Position

(expressed in Canadian dollars)

	Notes	As at March 31, 2012 $ (unaudited)	As at December 31, 2011 $ (unaudited)
Assets			
Current			
Cash		28,543	1,165
Receivables		8,252	26,634
Marketable securities	5	137,515	115,370
Prepaid expenses		20,000	20,000
		194,310	163,168
Liabilities			
Current			
Accounts payable and accrued liabilities	5, 11	1,415,239	1,348,805
Due to Champion Minerals Inc.	6	61,514	25,304
Due to Eloro Resources Ltd.	7	43,482	43,482
		1,520,235	1,417,591
Shareholders' equity			
Share capital	8	1,666,399	1,666,399
Contributed surplus		18,000	18,000
Deficit		(3,010,323)	(2,938,822)
		(1,325,925)	(1,254,423)
		194,310	163,168
Going concern	2		

Approved by the Board:

Thomas Larsen
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.
Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	Notes	3 months ended March 31, 2012 $ (unaudited)	2011 $ (unaudited)
Expenses			
Professional fees		3,500	3,500
Consulting fees	11	60,000	60,000
General and adminstrative		994	590
Decrease in fair value of marketable securities		7,007	3,005
Loss and comprehensive loss		71,501	67,095
Loss per common share-basic and diluted		0.003	0.003
Weighted average number of common shares-basic and diluted		21,566,604	21,566,604

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

Northfield Metals Inc.
Statements of Changes in Equity

(expressed in Canadian dollars)

	Share capital $ (unaudited)	Contributed surplus $ (unaudited)	Deficit $ (unaudited)	Total $ (unaudited)
Balance, December 31, 2011	1,666,399	18,000	(2,938,822)	(1,254,423)
Loss	-	-	(71,501)	(71,501)
Balance, March 31, 2012	1,666,399	18,000	(3,010,323)	(1,325,924)
Balance, December 31, 2010	1,666,399	18,000	(2,594,812)	(910,413)
Loss	-	-	(67,095)	(67,095)
Balance, March 31, 2011	1,666,399	18,000	(2,661,907)	(977,508)

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

Northfield Metals Inc.
Statements of Cash Flows
(expressed in Canadian dollars)

	3 months ended March 31,	
	2012	**2011**
	$	**$**
	(unaudited)	(unaudited)
Cash provided by (used in)		
Operating activities		
Loss	(71,501)	(67,095)
Item not affecting cash		
Decrease in fair value of marketable securities	7,007	3,005
Changes in non-cash working capital		
Receivables	18,382	(7,868)
Prepaid expenses	-	-
Accounts payable and accrued liabilities	66,434	70,982
	20,322	(976)
Financing activities		
Advances from Champion Minerals Inc.	36,210	-
Investing activities		
Purchase of marketable securities	(29,153)	-
Net decrease in cash	27,379	(976)
Cash, beginning of period	1,165	46,909
Cash, end of period	28,544	45,933

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

Northfield Metals Inc.
Notes to Financial Statements
March 31, 2012
(expressed in Canadian dollars)
(unaudited)

1. Nature of operations
Northfield Metals Inc. (the "Company") is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

2. Going concern
The Company is in the exploration stage and has no revenue. As at March 31, 2012, the Company had a working capital deficit of $1,325,925, which included cash of $28,543, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance
These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Significant accounting policies
The accounting policies applied in these interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended December 31, 2011. These interim financial statements do not include all of the information and footnotes required by IFRS for annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011. The policies applied in these interim financial statements are based on IFRS issued and current as of May 29, 2012, the date that the Board of Directors approved the interim financial statements.

4. Marketable securities
Marketable securities consist of the following investment in related parties:

	March 31, 2012		December 31, 2011	
	Fair value	Cost	Fair value	Cost
	$	$	$	$
Eloro Resources Ltd. ("Eloro")	64,400	99,581	37,699	66,429
Champion Minerals Inc. ("Champion")	93,240	27,461	77,145	27,461
Bear Lake Gold Ltd. ("Bear Lake")	525	5,375	525	5,375
	158,165	132,417	115,369	99,265

Two directors of the Company are directors of Eloro, two directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

5. Accounts payable and accrued liabilities
Accounts payable and accrued liabilities have substantially been outstanding over 90 days.

6. Due to Champion Minerals Inc.

The amount due to Champion is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Champion.

7. Due to Eloro Resources Ltd.

The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Eloro.

8. Share capital

Authorized

An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of shares	Amount $
Balance as at December 31, 2011 and March 31, 2012	21,566,604	1,666,399

Share consolidation

Effective May 4, 2012, the Company consolidated the issued common shares on the basis of 1 new common share for 4 old common shares. Following the share consolidation, there were 5,391,636 common shares outstanding.

Stock options

The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2011 and March 31, 2012, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

9. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion and Eloro

The fair values of cash, accounts payable and accrued liabilities and due to Champion and Eloro are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At March 31, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Marketable securities

The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

Marketable securities are classified as Level 1 financial assets.

10. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The Company's limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at March 31, 2012 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $34,379.

Currency risk

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

11. Related party transactions

	3 months ended March 31,		Outstanding as at	
	2012	2011	March 31, 2012	December 31, 2011
	$	$	$	$
Consulting fees for key management personnel payable pursuant to consulting contracts to three companies controlled by three officers, two of whom are also directors	60,000	60,000	1,295,400	1,227,600

Northfield Metals Inc.

Condensed Interim Financial Statements

June 30, 2012
(expressed in Canadian dollars)
(unaudited)

Management's Comments on Unaudited Condensed Interim Financial Statements

These unaudited condensed interim financial statements of Northfield Metals Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

Northfield Metals Inc.
Statements of Financial Position

(expressed in Canadian dollars)
(unaudited)

	Notes	As at June 30, 2012 $	As at December 31, 2011 $
Assets			
Current			
Cash		36,537	1,165
Receivables		10,660	26,634
Marketable securities	4	117,876	115,370
Prepaid expenses		10,000	20,000
		175,073	163,168
Exploration and evaluation	5, 13	25,000	-
		200,073	163,168
Liabilities			
Current			
Accounts payable and accrued liabilities	6, 12	1,468,176	1,348,805
Due to Champion Minerals Inc.	7	141,934	25,304
Due to Eloro Resources Ltd.	8	43,482	43,482
		1,653,592	1,417,591
Shareholders' equity			
Share capital	9	1,666,399	1,666,399
Contributed surplus		18,000	18,000
Deficit		(3,137,918)	(2,938,822)
		(1,453,519)	(1,254,423)
		200,073	163,168
Going concern	2		
Subsequent events	13		

Approved by the Board:

Paul Ankcorn
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.
Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)
(unaudited)

	Notes	3 months ended June 30, 2012 $	3 months ended June 30, 2011 $	6 months ended June 30, 2012 $	6 months ended June 30, 2011 $
Expenses					
Professional fees		3,500	3,500	7,000	7,000
Consulting fees	11	60,000	60,000	120,000	120,000
General and adminstrative		14,896	6,098	15,890	6,688
Loss on sale of marketable securities		7,900	-	7,900	-
Decrease in fair value of marketable securities		41,299	54,055	48,306	57,060
Loss and comprehensive loss		127,595	123,653	199,096	190,748
Loss per common share-basic and diluted		0.024	0.023	0.037	0.035
Weighted average number of common shares-basic and diluted		5,391,636	5,391,636	5,391,636	5,391,636

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

Northfield Metals Inc.
Statements of Changes in Equity

(expressed in Canadian dollars)
(unaudited)

	Share capital $	Contributed surplus $	Deficit $	Total $
Balance, December 31, 2011	1,666,399	18,000	(2,938,822)	(1,254,423)
Loss	-	-	(199,096)	(199,096)
Balance, June 30, 2012	1,666,399	18,000	(3,137,918)	(1,453,519)
Balance, December 31, 2010	1,666,399	18,000	(2,594,812)	(910,413)
Loss	-	-	(190,748)	(190,748)
Balance, June 30, 2011	1,666,399	18,000	(2,785,560)	(1,101,161)

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

Northfield Metals Inc.
Statements of Cash Flows

(expressed in Canadian dollars)
(unaudited)

	6 months ended June 30,	
	2012	**2011**
	$	**$**
Cash provided by (used in)		
Operating activities		
Loss	(199,096)	(190,748)
Item not affecting cash		
Loss on sale of marketable securities	7,900	
Decrease in fair value of marketable securities	48,306	57,060
Changes in non-cash working capital		
Receivables	15,974	(10,252)
Prepaid expenses	10,000	-
Accounts payable and accrued liabilities	119,371	125,719
	2,456	(18,221)
Financing activities		
Advances from Champion Minerals Inc.	116,630	-
Investing activities		
Proceeds on sale of marketable securities	25,860	-
Purchase of marketable securities	(84,572)	-
Acquisition of exploration and evaluation	(25,000)	-
	(83,712)	-
Net decrease in cash	35,374	(18,221)
Cash, beginning of period	1,165	46,909
Cash, end of period	36,538	28,688

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

1. Nature of operations

Northfield Metals Inc. (the "Company") is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

2. Going concern

The Company is in the exploration stage and has no revenue. As at June 30, 2012, the Company had a working capital deficit of $1,478,519, which included cash of $36,537, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance

These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of June 30, 2012. Any subsequent changes to IFRS that are reflected in the annual financial statements for the year ending December 31, 2012 could result in the restatement of these interim financial statements.

These interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011.

The interim financial statements were approved and authorized for issue by the Board of Directors on August 29, 2012.

Initial adoption of accounting policies

Exploration and evaluation

Recognition and measurement

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Non-repayable mining tax credits earned in respect to costs incurred in Quebec are recorded as a reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment or expensed to the statement of loss and comprehensive loss to the extent of any impairment. As at June 30, 2012, the Company had no property, plant and equipment.

Impairment

Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. FVLCTS refers to the amount obtainable from the sale of a property in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Decommissioning liabilities

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the balance sheet date. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. As at June 30, 2012, the Company had no decommissioning liabilities.

New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013:

IFRS 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer 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 venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

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 measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

The following amendment to standards and interpretations is effective for periods beginning on or after January 1, 2015:

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

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

Effect of new standards
IFRS 9, IFRS 10, IFRS 11 and IFRS 12 are expected to have an effect on the consolidated financial statements of the Company. The Company has not determined the extent of the impact of these standards and does not plan to early adopt these new standards.

4. Marketable securities

Marketable securities consists of the following investments in related parties:

	June 30, 2012		December 31, 2011	
	Fair value	Cost	Fair value	Cost
	$	$	$	$
Eloro Resources Ltd. (“Eloro”)	66,365	117,241	37,699	66,429
Champion Minerals Inc. (“Champion”)	51,060	27,461	77,145	27,461
Bear Lake Gold Ltd. (“Bear Lake”)	450	5,375	525	5,375
	117,875	150,077	115,369	99,265

Two directors of the Company are directors of Eloro, two directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

5. Exploration and evaluation

	December 31, 2011 $	Acquisition costs $	June 30, 2012 $
Property			
Borel River	–	25,000	25,000

Acquistion of Borel River
On June 5, 2012, the Company agreed to acquire a 100% interest in the Borel River iron ore property ("Borel River"), which consists of 108 claims covering an area of 4,459 hectares situated on the western shore of Ungava Bay in northern Quebec, subject to vendor retaining a 2% royalty. In order to acquire its interest, the Company must pay $25,000 and issue 500,000 common shares. The Company has the right of first refusal on the sale of the royalty and has the option to reduce the royalty from 2% to 1% by making a payment of $1,000,000.

In the event that the Company does not complete a listing of its common shares on a Canadian stock exchange by December 31, 2012, the Company will make monthly payments of $5,000 to the vendor commencing January 1, 2013 until its common shares are listed or the agreement is terminated upon 30 days written notice given by either the Company or the vendor.

As at June 30, 2012, the Company had paid the $25,000 and subsequent to June 30, 2012, the Company completed the acquisition (note 13).

6. Accounts payable and accrued liabilities
Accounts payable and accrued liabilities have substantially been outstanding over 90 days.

7. Due to Champion Minerals Inc.
The amount due to Champion is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Champion.

8. Due to Eloro Resources Ltd.
The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Eloro.

9. Share capital

Authorized
An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of shares	Amount $
Balance as at December 31, 2011	21,566,604	1,666,399
Effect of share consolidation	(16,174,968)	–
Balance as at June 30, 2012	5,391,636	1,666,399

Share consolidation
Effective May 4, 2012, the Company consolidated the issued common shares on the basis of 1 new common share for 4 old common shares. Following the share consolidation, there were 5,391,636 common shares outstanding.

Stock options
The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at June 30, 2012, there were 539,163 stock options available to be issued under the stock option plan and no stock options were outstanding.

10. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion and Eloro
The fair values of cash, accounts payable and accrued liabilities and due to Champion and Eloro are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At June 30, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Marketable securities
The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

Marketable securities are classified as Level 1 financial assets.

11. Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash balances. The Company’s limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at June 30, 2012 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $29,469.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

12. Related party transactions

	6 months ended		Outstanding as at	
	June 30, 2012	June 30, 2011	June 30, 2012	December 31, 2011
	$	$	$	$
Consulting fees for key management personnel payable pursuant to consulting contracts to three companies controlled by three officers, two of whom are also directors	60,000	60,000	1,295,400	1,227,600

13. Subsequent events

Acquistion of Borel River
On July 5, 2012, the Company completed the acquisition of Borel River by issuing 500,000 common shares with a fair value of $100,000.

Private placement

The Company intends to complete a private placement financing of up to 3,500,000 common shares at a price of $0.20 per common share for gross proceeds of up to $700,000. As at August 29, 2012, the Company had received subscription agreements for 3,180,000 common shares. The Company anticipates closing the private placement on or about August 31, 2012.

Northfield Metals Inc.

Condensed Interim Financial Statements

September 30, 2012
(expressed in Canadian dollars)
(unaudited)

Management's Comments on Unaudited Condensed Interim Financial Statements

These unaudited condensed interim financial statements of Northfield Metals Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

Northfield Metals Inc.
Statements of Financial Position

(expressed in Canadian dollars)
(unaudited)

	Notes	As at September 30, 2012 $	As at December 31, 2011 $
Assets			
Current			
Cash and cash equivalents		444,010	1,165
Receivables		18,893	26,634
Marketable securities	4	75,516	115,370
Prepaid expenses		10,000	20,000
		548,419	163,168
Exploration and evaluation	5	306,430	-
		854,850	163,168
Liabilities			
Current			
Accounts payable and accrued liabilities	6, 12	1,551,950	1,348,805
Due to Champion Iron Mines Limited	7	166,934	25,304
Due to Eloro Resources Ltd.	8	43,482	43,482
		1,762,366	1,417,591
Shareholders' equity			
Share capital	9	2,199,044	1,666,399
Share capital to be issued	9	99,500	-
Contributed surplus		18,000	18,000
Deficit		(3,224,060)	(2,938,822)
		(907,516)	(1,254,423)
		854,850	163,168

Going concern 2

Approved by the Board:

Paul Ankcorn
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.
Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)
(unaudited)

	Notes	3 months ended September 30, 2012 $	3 months ended September 30, 2011 $	9 months ended September 30, 2012 $	9 months ended September 30, 2011 $
Expenses					
Professional fees		3,500	5,311	10,500	12,311
Consulting fees	12	36,000	60,000	156,000	180,000
General and adminstrative		4,281	836	20,171	7,524
Loss on sale of marketable securities		-	-	7,900	-
Decrease in fair value of marketable securities		42,360	53,373	90,666	110,433
Loss and comprehensive loss		86,141	119,519	285,237	310,267
Loss per common share-basic and diluted		0.014	0.022	0.050	0.058
Weighted average number of common basic and diluted		6,376,419	5,391,636	5,722,293	5,391,636

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

Northfield Metals Inc.
Statements of Changes in Equity

(expressed in Canadian dollars)
(unaudited)

	Share capital	Share capital to be issued	Contributed surplus	Deficit	Total
	$	$	$	$	$
Balance, December 31, 2011	1,666,399	-	18,000	(2,938,822)	(1,254,423)
Private placement of common shares					
Issued	471,000	-	-	-	471,000
To be issued	-	99,500	-	-	99,500
Share issue costs	(38,355)	-	-	-	(38,355)
Acquisition of exploration and evaluation	100,000	-	-	-	100,000
Loss	-	-	-	(285,237)	(285,237)
Balance, September 30, 2012	2,199,044	99,500	18,000	(3,224,060)	(907,516)
Balance, December 31, 2010	1,666,399	-	18,000	(2,594,812)	(910,413)
Loss	-	-	-	(310,267)	(310,267)
Balance, September 30, 2011	1,666,399	-	18,000	(2,905,079)	(1,220,680)

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

Northfield Metals Inc.
Statements of Cash Flows

(expressed in Canadian dollars)
(unaudited)

	9 months ended September 30, 2012 $	2011 $
Cash provided by (used in)		
Operating activities		
Loss	(285,237)	(310,267)
Item not affecting cash		
Loss on sale of marketable securities	7,900	0
Decrease in fair value of marketable	90,666	110,433
Changes in non-cash working capital		
Receivables	7,741	(10,354)
Prepaid expenses	10,000	-
Accounts payable and accrued liabilities	203,143	196,802
	34,213	(13,386)
Financing activities		
Private placement of common shares		
Issued	471,000	-
To be issued	99,500	-
Share issue costs	(38,355)	-
Advances from Champion Iron Mines Limited	141,630	16,000
	673,775	16,000
Investing activities		
Proceeds on sale of marketable securities	25,860	-
Purchase of marketable securities	(84,572)	(27,065)
Exploration and evaluation	(206,430)	-
	(265,142)	(27,065)
Net decrease in cash	442,845	(24,451)
Cash, beginning of period	1,165	46,909
Cash, end of period	444,010	22,458

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

1. Nature of operations

Northfield Metals Inc. (the "Company") is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

2. Going concern

The Company is in the exploration stage and has no revenue. As at September 30, 2012, the Company had a working capital deficit of $1,213,946 (December 31, 2011 - $1,254,424) and for the 9 months ended September 30, 2012, the Company incurred losses of $285,237 (2011 - $190,748). The working capital deficit and losses limit the Company's ability to fund operations and the acquisition, exploration and development of mineral resource properties. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The Company has reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance

These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of September 30, 2012. Any subsequent changes to IFRS that are reflected in the annual financial statements for the year ending December 31, 2012 could result in the restatement of these interim financial statements.

These interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011.

The interim financial statements were approved and authorized for issue by the Board of Directors on November 29, 2012.

Initial adoption of accounting policies

Exploration and evaluation

Recognition and measurement

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Non-repayable mining tax credits earned in respect to costs incurred in Quebec are recorded as a reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment or expensed to the statement of loss and comprehensive loss to the extent of any impairment. As at September 30, 2012, the Company had no property, plant and equipment.

Impairment

Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. FVLCTS refers to the amount obtainable from the sale of a property in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Decommissioning liabilities

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the balance sheet date. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. As at September 30, 2012, the Company had no decommissioning liabilities.

New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013:

IFRS 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer 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 venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

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 measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

The following amendment to standards and interpretations is effective for periods beginning on or after January 1, 2015:

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

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

Effect of new standards
IFRS 9, IFRS 10, IFRS 11 and IFRS 12 are expected to have an effect on the consolidated financial statements of the Company. The Company has not determined the extent of the impact of these standards and does not plan to early adopt these new standards.

4. Marketable securities

Marketable securities consists of the following investments in related parties:

	September 30, 2012		December 31, 2011	
	Fair value	Cost	Fair value	Cost
	$	$	$	$
Eloro Resources Ltd. (“Eloro”)	35,735	117,241	37,699	66,429
Champion Iron Mines Limited (“Champion”)	39,405	27,461	77,145	27,461
Bear Lake Gold Ltd. (“Bear Lake”)	375	5,375	525	5,375
	75,515	150,077	115,369	99,265

One director (December 31, 2011 - two directors) of the Company is a director of Eloro, no directors (December 31, 2011 - two directors) of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

5. Exploration and evaluation

	December 31, 2011 $	Acquisition costs $	Exploration expenditures $	September 30, 2012 $
Property				
Borel River	–	126,506	179,924	306,430

Acquistion of Borel River

On July 5, 2012, the Company acquired a 100% interest in the Borel River iron ore property ("Borel River"), which consists of 108 claims covering an area of 4,459 hectares situated on the western shore of Ungava Bay in northern Quebec, subject to vendor retaining a 2% royalty. In order to acquire its interest, the Company paid $25,000 and issued 500,000 common shares with a fair value of $100,000. The Company has the right of first refusal on the sale of the royalty and has the option to reduce the royalty from 2% to 1% by making a payment of $1,000,000.

In the event that the Company does not complete a listing of its common shares on a Canadian stock exchange by December 31, 2012, the Company will make monthly payments of $5,000 to the vendor commencing January 1, 2013 until its common shares are listed or the agreement is terminated upon 30 days written notice given by either the Company or the vendor.

Acquisition of Gagnon Holdings

On September 28, 2012, Champion granted an option to the Company to acquire a 65% interest in Aubertin-Tougard, Aubrey-Ernie, Black Dan, Jeannine Lake, Penguin Lake, Silicate-Brutus and Three Big Lakes comprising 378 claims covering 200.24 square kilometres in the Fermont Iron Ore District in the Labrador Trough in northeastern Quebec ("Gagnon Holdings"). In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures, as follows:

	Option payments $	Common shares	Exploration expenditures $
Upon conditional approval from a stock exchange for the listing of the shares of the Company	100,000	1,000,000	–
1 year after signing of an option and joint venture agreement	150,000	500,000	500,000
2 years after signing of an option and joint venture agreement	250,000	500,000	750,000
3 years after signing of an option and joint venture agreement	250,000	500,000	–
4 years after signing of an option and joint venture agreement	250,000	–	4,750,000
	1,000,000	2,500,000	6,000,000

The Company and Champion agreed that the option constitutes a binding agreement and agreed to negotiate the terms of and execute a mutually satisfactory option and joint venture agreement by December 31, 2012.

Upon the Company earning its 65% interest, a joint venture will be formed to incur additional exploration expenditures. If the Company does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The Company will have the option to reduce the royalty from 1% to 0.5% by making a payment of $3,000,000.

In the event that the Company or Champion proposes to acquire any property within 10 kilometres of the Gagnon Holdings, the acquirer must offer the property at cost to the other party for inclusion in the Gagnon properties.

Two officers of the Company are officers of Northfield.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities have substantially been outstanding over 90 days.

7. Due to Champion

The amount due to Champion is unsecured, non-interest bearing and payable on demand. No directors (December 31, 2011 - two directors) of the Company are directors of Champion.

8. Due to Eloro Resources Ltd.

The amount due to Eloro is unsecured, non-interest bearing and payable on demand. One director (December 31, 2011 - two directors) of the Company is a director of Eloro.

9. Share capital

Authorized

An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of shares	Amount $
Balance as at December 31, 2011	21,566,604	1,666,399
Effect of share consolidation	(16,174,968)	–
Balance as at May 4, 2012, date of share consolidation	5,391,636	1,666,399
Private placement	2,355,000	471,000
Acquisition of exploration and evaluation (note 5)	500,000	100,000
Share issue costs	–	(38,355)
Balance as at September 30, 2012	8,246,636	2,199,044

Share consolidation

Effective May 4, 2012, the Company consolidated the issued common shares on the basis of 1 new common share for 4 old common shares. Following the share consolidation, there were 5,391,636 common shares outstanding.

Private placement

On September 10, 2012, the Company completed the first tranche of a private placement financing consisting of 2,355,000 common shares at a price of $0.20 per common share for gross proceeds of $471,000. In connection with the financing, the Company paid a commission of $37,680. On October 22, 2012, the Company completed the second and final tranche of a private placement financing consisting of 675,000 common shares at a price of $0.20 per common share for gross proceeds of $135,000, of which, the Company had received gross proceeds of $99,500 as at September 30, 2012.

Stock options

The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at September 30, 2012, there were 824,663 stock options available to be issued under the stock option plan and no stock options were outstanding.

10. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion and Eloro

The fair values of cash, accounts payable and accrued liabilities and due to Champion and Eloro are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At September 30, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Marketable securities
The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

Marketable securities are classified as Level 1 financial assets.

11. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The Company's limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at September 30, 2012 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $29,469.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

12. Related party transactions

	9 months ended September 30, 2012 $	9 months ended September 30, 2011 $	Outstanding as at September 30, 2012 $	Outstanding as at December 31, 2011 $
Consulting fees for key management personnel payable pursuant to consulting contracts to three companies controlled by three officers, two of whom are also directors	156,000	180,000	1,391,400	1,227,600

APPENDIX H

NORTHFIELD METALS INC.

SUMMARY BY RANGE (ANALYTICAL)

This confidential report provides a breakdown of the concentration of your investors and the number of securities held by range, based on data files provided to Broadridge by financial intermediaries that hold your securities.

REPORT DATE:	**MAY 31, 2012**
CUSIP:	**666170204**
SECURITY DESCRIPTION:	*****NORTHFIELD METALS INC**
RECORD DATE:	**05/25/2012**
JOB #:	**111791**

TOTAL OF SECURITYHOLDERS REPORTED:	**472**
TOTAL OF SECURITIES REPORTED:	**3,091,226**

SECURITIES HELD

FROM	TO	ACCOUNTS	SECURITIES	CUMULATIVE	PERCENTAGE
1	499	317	40,100	40,100	1.297%
500	999	49	32,198	72,298	1.042%
1,000	4,999	66	137,044	209,342	4.433%
5,000	99,999	33	640,666	850,008	20.725%
100,000	499,999	6	1,135,517	1,985,525	36.734%
500,000	999,999	0	0	1,985,525	0.000%
1,000,000	999,999,999	1	1,105,701	3,091,226	35.769%

NORTHFIELD METALS INC.

SUMMARY BY RANGE (ANALYTICAL)

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REPORT DATE:	**MAY 31, 2012**
CUSIP:	**666170204**
SECURITY DESCRIPTION:	*****NORTHFIELD METALS INC**
RECORD DATE:	**05/25/2012**
JOB #:	**111791**

TOP 10 SECURITY RANGES BY ACCOUNT

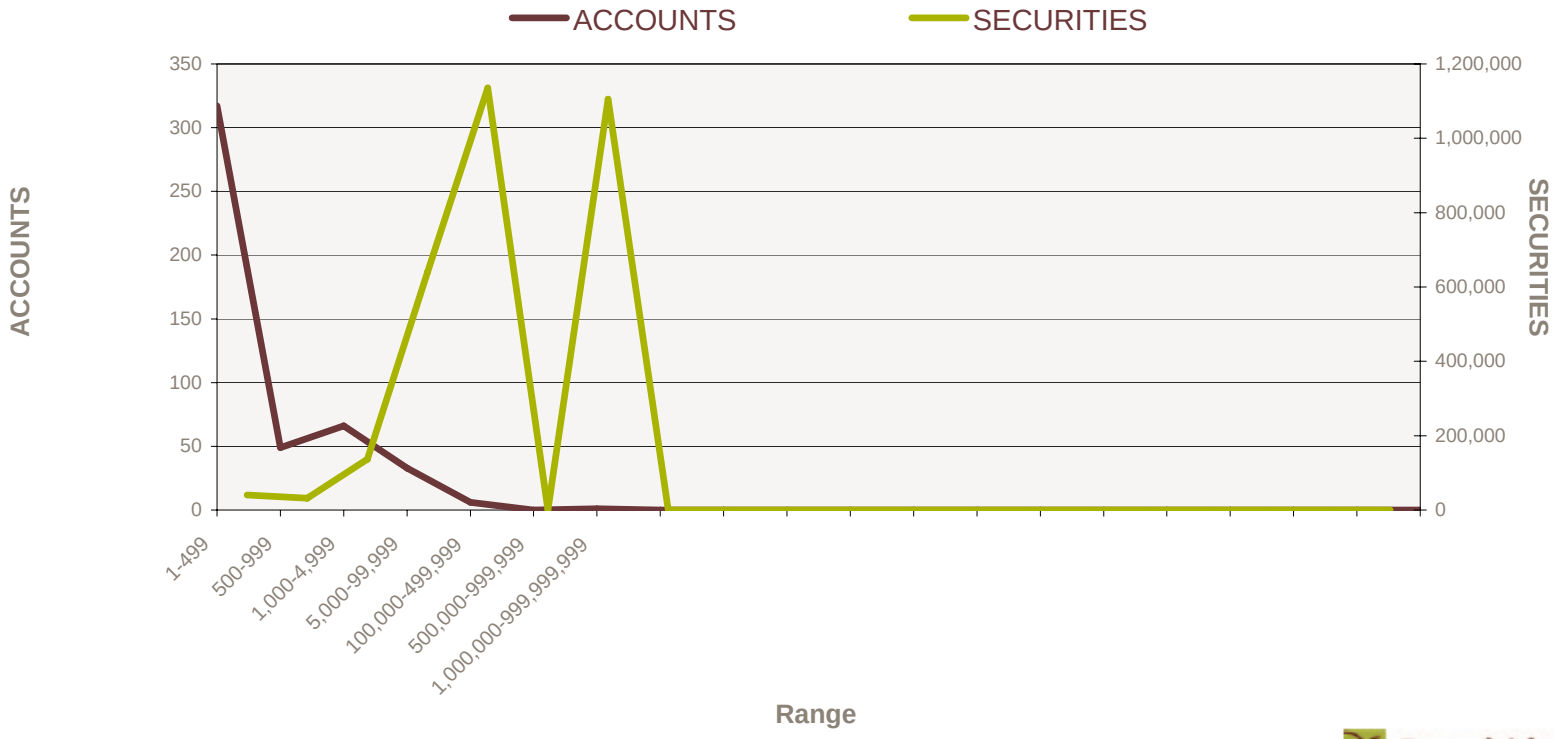
SUM OF ACCOUNTS

RANGE	TOTAL ACCOUNTS
1-499	317
1,000-4,999	66
500-999	49
5,000-99,999	33
100,000-499,999	6
1,000,000-999,999,999	1
500,000-999,999	0
0	0
0	0
0	0

TOP 10 SECURITY RANGES BY SECURITIES

SUM OF SECURITIES

RANGE	TOTAL SECURITIES
100,000-499,999	1,135,517
1,000,000-999,999,999	1,105,701
5,000-99,999	640,666
1,000-4,999	137,044
1-499	40,100
500-999	32,198
500,000-999,999	0
0	0
0	0
0	0



Notice: Information contained in this report, while compiled from sources believed to be reliable, is not guaranteed.

SHARE RANGE REPORT

CUISIP	666170204
ISSUER	NORTHFIELD METALS INC.
JOB	S94436
RECORD DATE	05/25/2012

LOW	HIGH	ACCTS	SHARES	CUMULATIVE	PERCENT
1	499	23	2669	2669	17.346
500	999	1	561	3230	3.646
1000	4999	2	4500	7730	29.247
5000	99999	1	7656	15386	49.759
100000	499999	0	0	15386	0
500000	999999	0	0	15386	0
1000000	999999999	0	0	15386	0

APPENDIX I

Northfield Metals Inc.

TECHNICAL REPORT
on the
Borel River Property
PROVINCE OF QUEBEC

NTS MAP-SHEETS 24N/05 & 24N/12
(UTM 453800 E, 6603200 N: NAD83 Zone 19)

by

Peter Banks, P.Geo.

August 30th, 2012

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1.0 SUMMARY

This technical report (the "**Report**") was prepared at the request of Mr. Paul Ankcorn, President of Northfield Metals Inc. ("**Northfield**"), a Canadian-based, public company. Northfield is a reporting issuer in Ontario and Alberta; however, its common shares are not currently listed for trading on any exchange.

The author, Mr. Peter Banks (P.Geo.), of Saint John New Brunswick was retained on July 2nd 2012 by Northfield to prepare a technical report in accordance with National Instrument (NI) 43-101 on its wholly-owned Borel River Property (the "**Property**"), located within National Topographic System (NTS) Map Sheet 24-N/05 and 24-N/12, and to recommend an exploration program for iron formation underlying the Property.

Northfield acquired its 100% right, title and interest in the Borel River Property on July 5, 2012 with the payment of $25,000 and the issuance to P.A. Bigué, of Val-d'Or, Quebec (the "**Vendor**") of 500,000 common shares of Northfield, which are subject to a standard regulatory 4-month hold period. The Vendor retains a 2% Net Smelter Return royalty; however, Northfield has the option to reduce this royalty from 2% to 1% by paying the Vendor $1,000,000 and also has a right of first refusal on the royalty.

The purpose of the Report is to provide an independent technical report on the Borel River Property prepared in accordance with NI 43-101 to support the listing of Northfield on the TSX Venture Exchange. The Report will be filed on the System for Electronic Document Analysis and Retrieval (SEDAR), as required under applicable securities regulations.

The Borel River Property, which is in the Koksoak River (Unorganized) Territory of northern Quebec, near the western shore of Ungava Bay, comprises 108 contiguous mineral claims, and covers a surface area of approximately 4459.21 hectares (44.6 km^2).

The Property is underlain by approximately 20 kilometres of a north-south trending iron formation between the Morgan Lake and Hopes Advance property holdings of Oceanic Iron Ore Corp. The iron formation in this northern-most part of the Labrador Trough, which is classified as a stratiform Lake Superior-type iron formation, comprises magnetite-specular hematite schist containing recrystallized, granular quartz with fine, platy specular hematite and bands of carbonate and grunerite. Deformation and metamorphism of the principal iron formation unit, the Sokoman Formation, has structurally thickened the iron formation locally and recrystallized the rock.

The Report, which was prepared in accordance with NI 43-101 regulations, provides details of the airborne geophysical magnetic-intensity response survey (the "**Airborne Survey**") that was completed on the Property from July 26th to 28th of 2012. The Airborne Survey outlined a strong, linear, magnetic signature, coincident with ground exposures of iron formation, over a 16-km long, north-south trending zone. Available geological data pertaining to the Borel River Property suggests that an iron formation underlies the claim block. The true grade and amount of iron mineralization and whether the Property could support a commercial mine have yet to be determined, but, based on the Airborne Survey, there is potential for a large deposit. There are no listed mineral showings on the Property, and no historical reserves have been published. Results from the Airborne Survey will be submitted to the Provincial Government for assessment-work credits.

There has been no significant previous exploration work performed on the Borel River Property, and other than the recently completed Airborne Survey, there is no exploration, development nor operations currently underway on the Property. Although

several highly metamorphosed, magnetite-specularite iron deposits are known to exist in the vicinity of the Property, none are documented on the Property itself and no mineral resource or mineral reserve estimates have been prepared for the Property.

The data from the Airborne Survey will be analysed alongside other geological data in order to better determine the areas most favourable for further exploration by ground work and diamond-drilling.

The Author is of the opinion that the iron formation identified at the Borel River Property warrants further investigation to define its surface distribution, extent, petrology, mineralogy, metallurgical characteristics, and three dimensional (sub-surface) geometry in order to properly determine the full potential of the iron mineralization on the Property.

The following two-phase exploration programme is recommended:

Phase I

- a proposal to re-classify the wedge of Category I lands that overlaps the iron formation, approximately 4 km south of the Borel River, to Category II land, should be tabled with the local First Nations peoples and the Provincial Government;
- systematic field mapping and sampling of bedrock exposures, with particular emphasis on the Sokoman (iron) Formation;
- channel-cutting and sampling - perpendicular to strike - of the two prominent ridges south of Borel River to obtain baseline iron-content assays across the exposed iron formation;
- selection of representative samples from the various Sokoman Formation Members for whole-rock analysis in order determine levels of elements deleterious to iron beneficiation processes (i.e., silica, amphibole, aluminium, sulphur), and;
- a short (with respect to line-length), ground gravimetric survey north of the Borel River to determine whether the low-magnetic response of the area is coincident with a high gravity response.

Phase II

- a 3,500 metre diamond-drilling program, with on-strike centres spaced at approximately 600 m, to support the interpretation of the sub-surface geometry and extent, of the iron-formation, and;
- integration of the drill-hole data into a 3-D Gemcom® model in preparation for a Mineral Resource Estimate prepared in accordance with NI 43-101.

Although the cost of Phase II is largely dependent on Phase I, the overall budget (Phase I and Phase II is estimated at $3.1 million (including 15% for contingencies). Phase I is budgeted at $516,580. Phase II is budgeted at $2,624,300 and is conditional on positive results from Phase I.

2.0 INTRODUCTION

This Report was prepared at the request of Mr. Paul Ankcorn, President of Northfield Metals Inc. ("**Northfield**"), a Canadian-based, public company, not currently trading on any stock exchange. Northfield is a reporting issuer in Ontario and Alberta, with its corporate office at:

20 Adelaide Street East, Suite 301
Toronto, ON
Canada, M5C 2T6
Tel: (416) 866-2200
Fax:(416) 361-1333

The author, Mr. Peter Banks (P.Geo.) ("**Mr. Banks**" or the "**Author**"), of Saint John New Brunswick was retained on July 2nd 2012 by Northfield to prepare a technical report (the "**Report**") in accordance with National Instrument (NI) 43-101 on its wholly-owned Borel River Property (the "**Property**"), located within National Topographic System (NTS) Map Sheet 24-N/05 and 24-N/12, and to recommend an exploration program for iron mineralization hosted by Superior-type stratigraphic iron formation units underlying the Property.

The purpose of the Report is to provide an independent technical report on the Borel River Property prepared in accordance with NI 43-101 that will be used to support the listing of Northfield Metals Inc. on the TSX Venture Exchange ("**TSX-V**"). The Report will be filed on the System for Electronic Document Analysis and Retrieval (SEDAR), a mandatory document filing and retrieval system for Canadian public companies, as required under applicable securities laws.

Northfield has accepted that the qualifications, expertise, experience, competence and professional reputation of Mr. Banks are appropriate and relevant for the preparation of this Report. Northfield has also accepted that Mr. Banks is a member of a professional association that is appropriate and relevant for the preparation of this Report.

Northfield acquired the Borel River Property from an arm's length individual pursuant to a purchase agreement dated June 5th, 2012. Northfield intends to use the Borel River Property as a qualifying property to support the application for listing of Northfield's common shares on the TSX-V subject to the approval of the applicable regulatory authorities. In connection with the listing application, a technical report on the qualifying property is required by the TSX-V.

The Property is in the Koksoak River (Unorganized) Territory of northern Quebec, near the western shore of Ungava Bay (***Figure 2-1***). It is named after the Borel River (also known as the Belloy River http://www.geodata.us/canada_names_maps), which flows eastward across the middle of the Property and drains into False Bight in Ungava Bay. The Property is underlain by approximately 20 kilometres of a north-south trending iron formation between the Morgan Lake and Hopes Advance property holdings of Oceanic Iron Ore Corp. (***Figure 2-2***).

The Property comprises 108 contiguous mineral claims, and covers a surface area of 4459.21 hectares (44.6 km^2). The centre of the Property is located approximately at Latitude 59°33'00" North and Longitude 69°47'15" West, having Universal Transverse Mercator (UTM) coordinates 453800 East, 6603200 North in the North American Datum (NAD) 83 Zone 19 coordinate system (***Figure 2-3***).

The iron formation in this northern-most part of the Labrador Trough comprises magnetite-specular hematite schist containing recrystallized , granular quartz with fine, platy specular hematite and bands of carbonate and grunerite, similar to those present in the southern Labrador Trough. The iron formation on the Property is classified as a stratiform Lake Superior-type iron formation. Deformation and metamorphism of the principal iron formation unit, the Sokoman Formation, has structurally thickened the iron formation locally and recrystallized the rock.

Several highly metamorphosed, magnetite-specularite iron deposits are known to exist in the vicinity of the Borel River Property, but none are documented on the Property, which covers approximately 20 kilometres of a north-south trending iron formation between the Morgan Lake and Hopes Advance property holdings of Oceanic Iron Ore Corp.

This Report, which was prepared in accordance with NI 43-101, provides details of the airborne, magnetic-response geophysical ("aeromag'") survey (the "**Airborne Survey**") that was completed on the Property from July 26th to 28th of 2012. There has been no significant previous exploration work performed on the Property, and other than the Airborne Survey, there is no exploration, development nor operations currently underway on the Property.

Mr. Banks is a Qualified Person (as defined in NI 43-101) and is independent of Northfield. Mr. Banks conducted a site visit of the Property, accompanied by Mr. John Langton of Northfield, on July 28th, 2012.

Mr. Banks is of the opinion that the conclusions and the recommended exploration and development programs and budgets recommended in this report are valid at this time, are consistent with those of other junior mineral exploration companies currently operating in the area, and are required in order to determine the full mineral potential of the Property.

All claim information and maps have been updated for this Report.

The Report is dated effective as of August 30th, 2012.

2.1 Sources of information

All of the information on the Property contained in the Report is based upon publicly available assessment reports submitted by various mineral exploration companies that have carried out previous work in the area available on-line at http://sigeom.mrnf.gouv.qc.ca/; publications of the Geological Survey of Canada, and scientific papers from various earth science journals. A list of material reviewed and used in the preparation of this Report is included in ***Section 27.0*** herein.

2.2 Units of reference

Unless otherwise stated, all currency amounts are reported in Canadian dollars ($).

Grid coordinates and maps are based on the UTM NAD 83 (Zone 19) system. Units of measurement include kilometres (km) and metres (m) for distance, and hectares (ha) or square kilometres (km^2) for area.

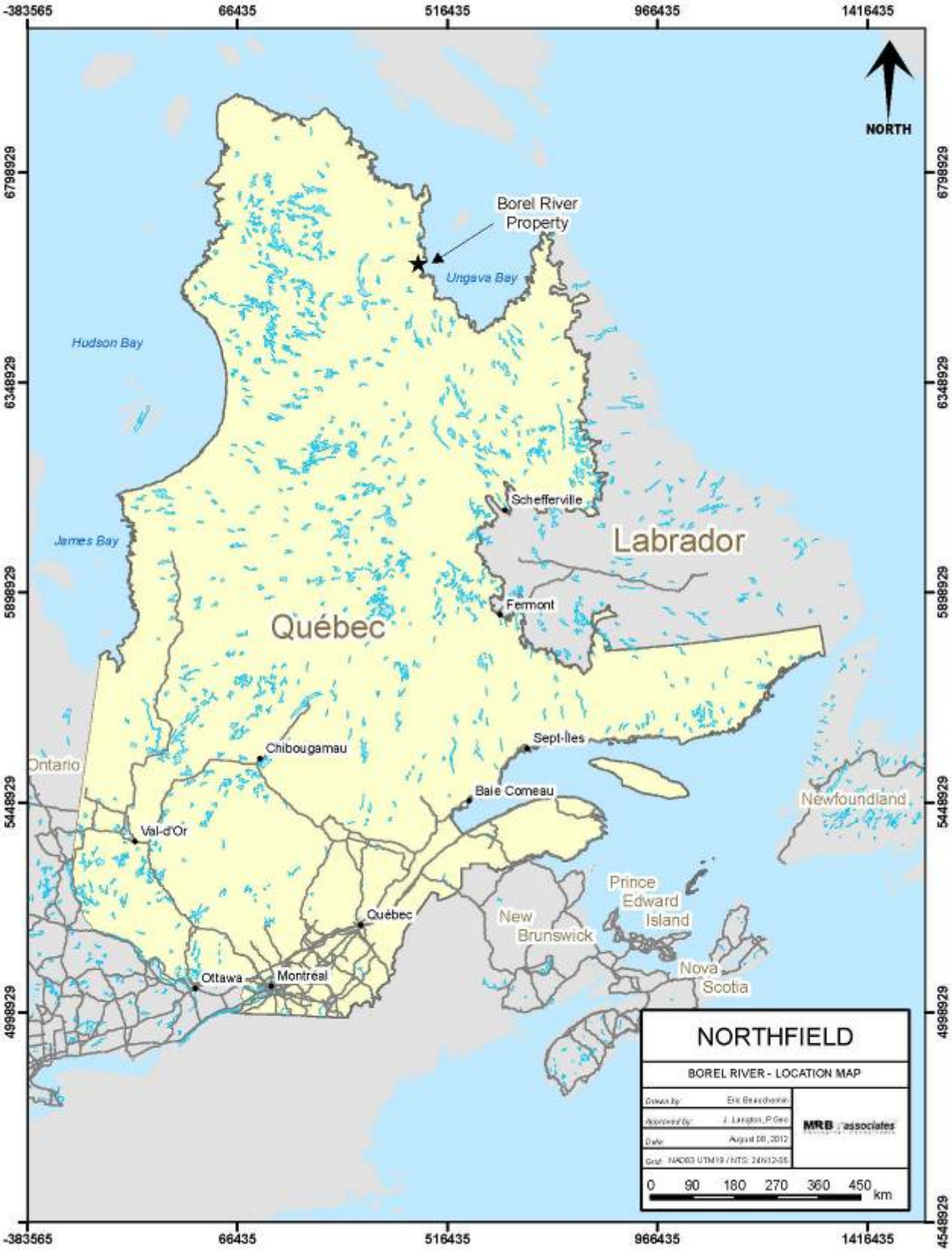

Figure 2-1: Regional Location Map of the Borel River Property in northern Quebec.

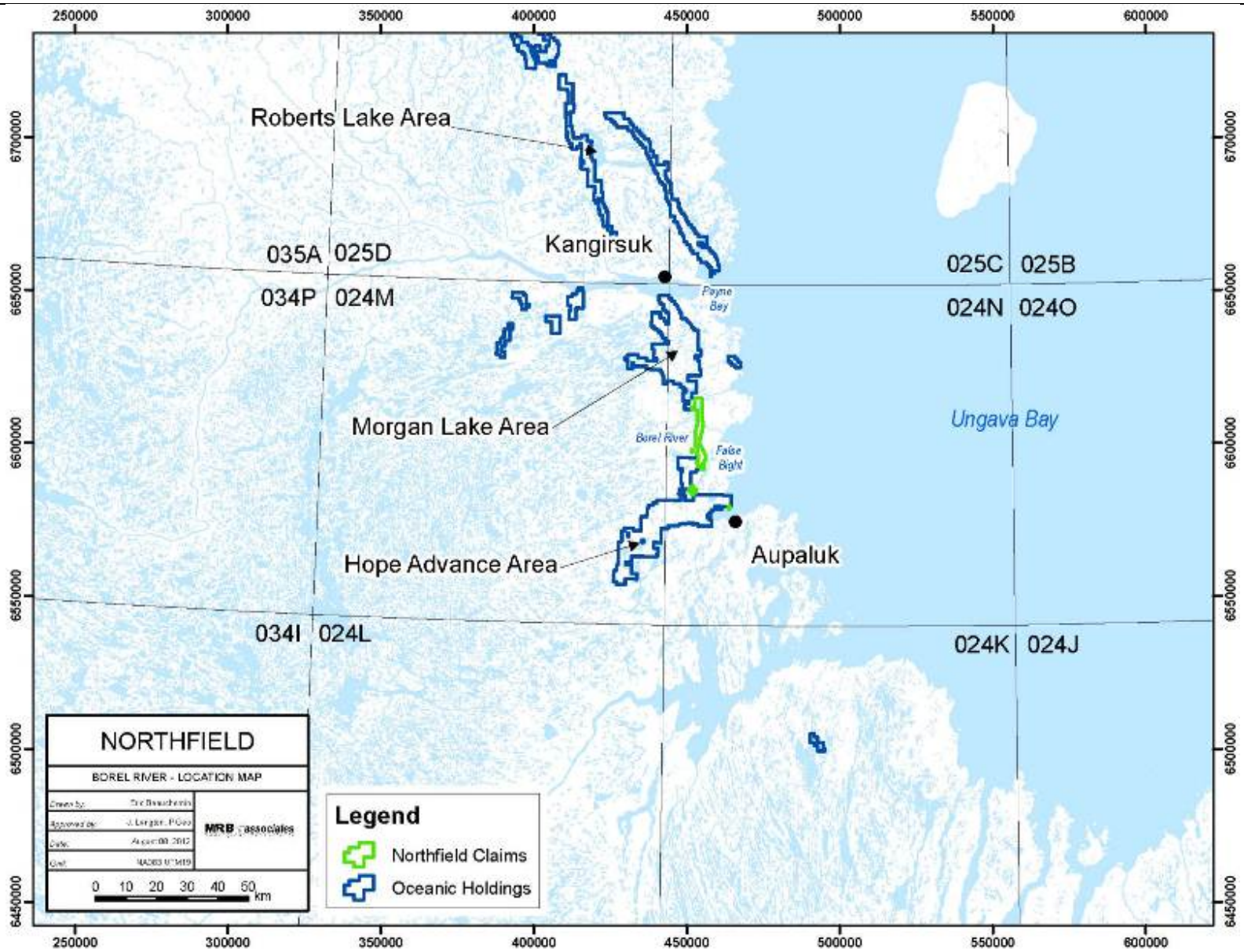

Figure 2-2: Location Map of the Borel River Property

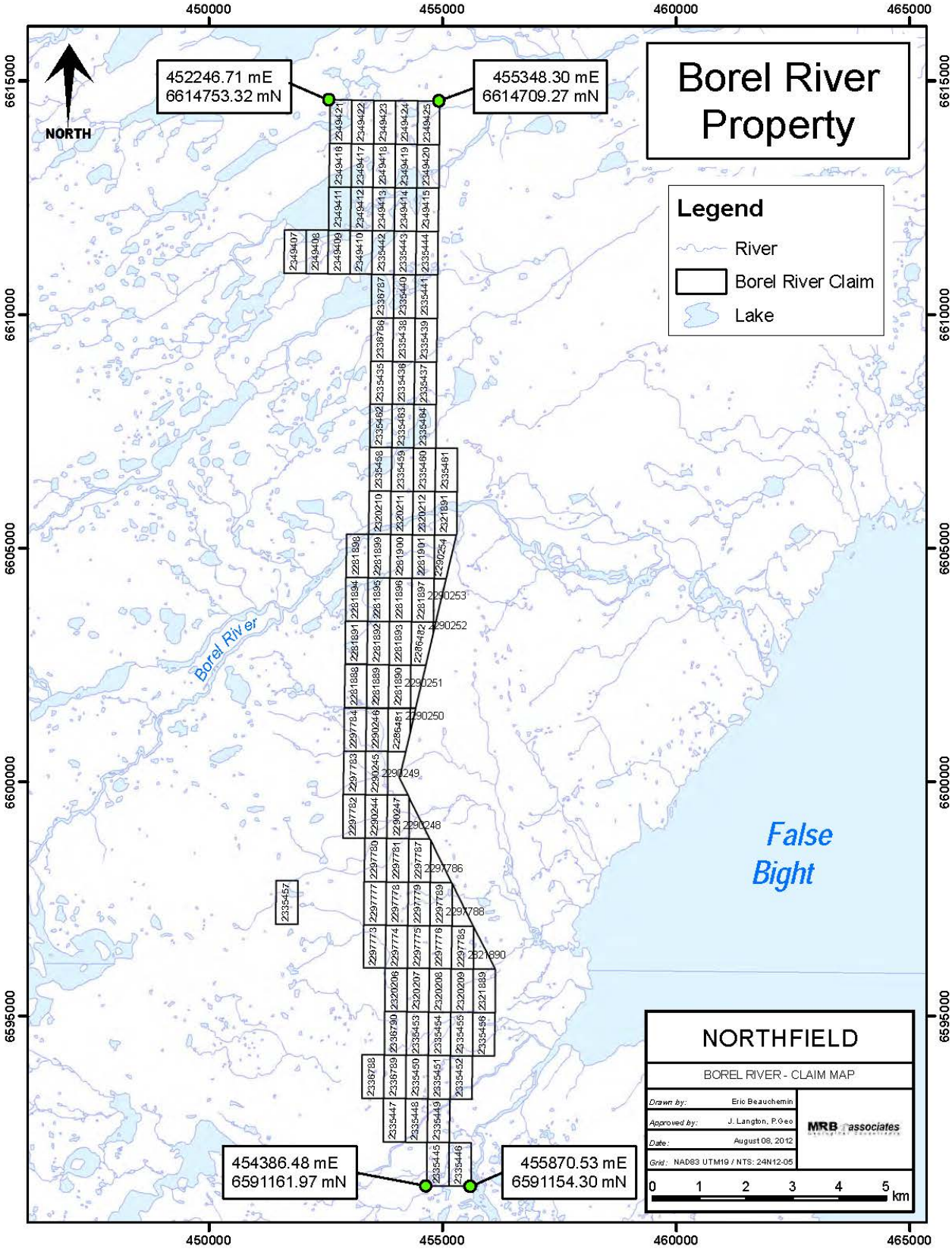

Figure 2-3: Claim Map of the Borel River Property

3.0 RELIANCE ON OTHER EXPERTS

The Author has assumed, and relied on the fact, that all the information and existing technical documents listed in the References section herein (refer to ***Section 27.0***) are accurate and complete in all material aspects.

Although copies of the tenure documents, operating licenses, permits, and work contracts were reviewed, an independent verification of land title and tenure was not performed. The Author has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties but has relied on Northfield to have conducted the proper legal due diligence.

Information on tenure and permits was obtained from MRB & Associates, a consulting firm in Val-d'Or, Québec, and Gestion SDM of Rivière Héva, Québec, the claims management company responsible for Northfield's claims.

A draft copy of this Report has been reviewed for factual errors by Northfield. Any statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Borel River Property is located west of Ungava Bay in northern Quebec. The area is underlain by the remnants of an ancient, shallow, oceanic basin known as the Labrador Trough, which extends over 1100 kilometres from Ungava, through the Schefferville and Fermont Iron Ore Districts. The Property is named after the Borel River, which flows from west to east across the middle of the Property and drains into False Bight in Ungava Bay (***Figure 4-1***).

The Property comprises 108 mineral exploration claims, totalling 44.6 km^2 that form a long, narrow, north-south elongated block, approximately 2.5 km by 24 km (***Figure 2-3***). The centre of the Property is approximately 550 km north of the iron mining hub of Schefferville; 180 km north of the village of Kuujjuaq, and; 10 km northwest of the community of Aupaluk (***Figure 2-2***). Northfield acquired the Property in June 2012.

All claims comprising the Property are in good standing as of the date of the Report. The current status of the claims comprising the Property, including renewal dates, rental fees, required minimum work and excess credits, as listed on the Province of Québec's Ministère des Ressources Naturelles et de la Faune (MRNF) on-line claim management system (www.mrnfp.gouv.qc.ca/mines/index.jsp), are summarized in ***Table 4-1***. Details on claims renewals, work credits, claim access rights, allowable exploration, development, mining works, and site rehabilitation are summarized in the Québec Mining Act available at www2.publicationsduquebec.gouv.qc.ca.

The Property's yearly assessment work requirements amount to $12,384. Yearly "rent" charges for the Property, in addition to the assessment work requirements, are $10,016. Credits from Northfield's current exploration programme, amounting to approximately $120,000 in the aggregate, were applied evenly across the Property's claims.

The Property has not been legally surveyed since being acquired by Northfield. The boundary of each claim block was defined using the MRNF Québec on-line claim management system at https://gestim.mines.gouv.qc.ca/. The corners of the Property are defined by UTM (NAD83, Zone 18) coordinates: 452246.71 E, 6614753.32 N (NW corner), 455348.30 E, 6614709.27 N (NE corner), 455870.53 E, 6591154.30 N (SE corner), and 454386.48 E, 6591161.97 N (SW corner)(***Figure 2-3***).

The Property is of interest as it overlies part of the Sokoman Formation, which hosts iron deposits throughout the Labrador Trough.

4.1 The Québec Mining Act and Claims

The Québec Mining Act deals with the management of mineral resources and the granting of exploration rights for mineral substances during the exploration phase. It also deals with the granting of rights pertaining to the use of these substances during the mining phase. The Québec Mining Act also establishes the rights and obligations of the holders of mining rights to ensure maximum development of Québec's mineral resources.

The mineral claim is the only valid exploration right in Quebec. The claim gives the holder an exclusive right to search for sub-surface mineral substances in the public domain. Since November 2000, exploration titles are obtained by map designation over predetermined parcels of land. This approach is quicker and simpler than the system in use prior to November 2000 and makes it more difficult to dispute claims, thereby better protecting the investments made on a claim.

Table 4-1: Current Status of Claims Comprising the Borel River Property

Claim	Renewal Date	Expiry Date	Area (ha)	Work Req'd/year	Rent/ year	Credit	Owner
2281888	28 January 2013	30 March 2013	43.72	$120	$98	$0	Northfield 100%
2281889	28 January 2013	30 March 2013	43.72	$120	$98	$0	Northfield 100%
2281890	28 January 2013	30 March 2013	43.72	$120	$98	$0	Northfield 100%
2281891	28 January 2013	30 March 2013	43.71	$120	$98	$0	Northfield 100%
2281892	28 January 2013	30 March 2013	43.71	$120	$98	$0	Northfield 100%
2281893	28 January 2013	30 March 2013	43.71	$120	$98	$0	Northfield 100%
2281894	28 January 2013	30 March 2013	43.69	$120	$98	$0	Northfield 100%
2281895	28 January 2013	30 March 2013	43.69	$120	$98	$0	Northfield 100%
2281896	28 January 2013	30 March 2013	43.69	$120	$98	$0	Northfield 100%
2281897	28 January 2013	30 March 2013	43.69	$120	$98	$0	Northfield 100%
2281898	28 January 2013	30 March 2013	43.68	$120	$98	$0	Northfield 100%
2281899	28 January 2013	30 March 2013	43.68	$120	$98	$0	Northfield 100%
2281900	28 January 2013	30 March 2013	43.68	$120	$98	$0	Northfield 100%
2281901	28 January 2013	30 March 2013	43.68	$120	$98	$0	Northfield 100%
2286481	15 February 2013	17 April 2013	41.8	$120	$98	$0	Northfield 100%
2286482	15 February 2013	17 April 2013	38.42	$120	$98	$0	Northfield 100%
2290244	10 March 2013	10 May 2013	43.75	$120	$98	$0	Northfield 100%
2290245	10 March 2013	10 May 2013	43.74	$120	$98	$0	Northfield 100%
2290246	10 March 2013	10 May 2013	43.73	$120	$98	$0	Northfield 100%
2290247	10 March 2013	10 May 2013	43.68	$120	$98	$0	Northfield 100%
2290248	10 March 2013	10 May 2013	19.76	$48	$27	$0	Northfield 100%
2290249	10 March 2013	10 May 2013	30.55	$120	$98	$0	Northfield 100%
2290250	10 March 2013	10 May 2013	2.76	$48	$27	$0	Northfield 100%
2290251	10 March 2013	10 May 2013	19.92	$48	$27	$0	Northfield 100%
2290252	10 March 2013	10 May 2013	0.59	$48	$27	$0	Northfield 100%
2290253	10 March 2013	10 May 2013	14.41	$48	$27	$0	Northfield 100%
2290254	10 March 2013	10 May 2013	33.5	$120	$98	$0	Northfield 100%
2297773	20 April 2013	20 June 2013	43.78	$120	$98	$0	Northfield 100%
2297774	20 April 2013	20 June 2013	43.78	$120	$98	$0	Northfield 100%

Claim	Renewal Date	Expiry Date	Area (ha)	Work Req'd/year	Rent/ year	Credit	Owner
2297775	20 April 2013	20 June 2013	43.78	$120	$98	$0	Northfield 100%
2297776	20 April 2013	20 June 2013	43.78	$120	$98	$0	Northfield 100%
2297777	20 April 2013	20 June 2013	43.77	$120	$98	$0	Northfield 100%
2297778	20 April 2013	20 June 2013	43.77	$120	$98	$0	Northfield 100%
2297779	20 April 2013	20 June 2013	43.77	$120	$98	$0	Northfield 100%
2297780	20 April 2013	20 June 2013	43.76	$120	$98	$0	Northfield 100%
2297781	20 April 2013	20 June 2013	43.76	$120	$98	$0	Northfield 100%
2297782	20 April 2013	20 June 2013	43.75	$120	$98	$0	Northfield 100%
2297783	20 April 2013	20 June 2013	43.74	$120	$98	$0	Northfield 100%
2297784	20 April 2013	20 June 2013	43.73	$120	$98	$0	Northfield 100%
2297785	20 April 2013	20 June 2013	43.77	$120	$98	$0	Northfield 100%
2297786	20 April 2013	20 June 2013	20.29	$48	$27	$0	Northfield 100%
2297787	20 April 2013	20 June 2013	43.72	$120	$98	$0	Northfield 100%
2297788	20 April 2013	20 June 2013	20.81	$48	$27	$0	Northfield 100%
2297789	20 April 2013	20 June 2013	43.75	$120	$98	$0	Northfield 100%
2320206	24 August 2013	24 October 2013	43.79	$120	$98	$0	Northfield 100%
2320207	24 August 2013	24 October 2013	43.79	$120	$98	$0	Northfield 100%
2320208	24 August 2013	24 October 2013	43.79	$120	$98	$0	Northfield 100%
2320209	24 August 2013	24 October 2013	43.79	$120	$98	$0	Northfield 100%
2320210	24 August 2013	24 October 2013	43.67	$120	$98	$0	Northfield 100%
2320211	24 August 2013	24 October 2013	43.67	$120	$98	$0	Northfield 100%
2320212	24 August 2013	24 October 2013	43.67	$120	$98	$0	Northfield 100%
2321889	31 August 2013	31 October 2013	43.79	$120	$98	$0	Northfield 100%
2321890	31 August 2013	31 October 2013	21.31	$48	$27	$0	Northfield 100%
2321891	31 August 2013	31 October 2013	43.66	$120	$98	$0	Northfield 100%
2335435	5 January 2014	7 March 2014	43.64	$120	$98	$0	Northfield 100%
2335436	5 January 2014	7 March 2014	43.64	$120	$98	$0	Northfield 100%
2335437	5 January 2014	7 March 2014	43.64	$120	$98	$0	Northfield 100%
2335438	5 January 2014	7 March 2014	43.63	$120	$98	$0	Northfield 100%
2335439	5 January 2014	7 March 2014	43.63	$120	$98	$0	Northfield 100%
2335440	5 January 2014	7 March 2014	43.62	$120	$98	$0	Northfield 100%

Claim	Renewal Date	Expiry Date	Area (ha)	Work Req'd/year	Rent/ year	Credit	Owner
2335441	5 January 2014	7 March 2014	43.62	$120	$98	$0	Northfield 100%
2335442	5 January 2014	7 March 2014	43.61	$120	$98	$0	Northfield 100%
2335443	5 January 2014	7 March 2014	43.61	$120	$98	$0	Northfield 100%
2335444	5 January 2014	7 March 2014	43.61	$120	$98	$0	Northfield 100%
2335445	5 January 2014	7 March 2014	43.83	$120	$98	$0	Northfield 100%
2335446	5 January 2014	7 March 2014	43.83	$120	$98	$0	Northfield 100%
2335447	5 January 2014	7 March 2014	43.82	$120	$98	$0	Northfield 100%
2335448	5 January 2014	7 March 2014	43.82	$120	$98	$0	Northfield 100%
2335449	5 January 2014	7 March 2014	43.82	$120	$98	$0	Northfield 100%
2335450	5 January 2014	7 March 2014	43.81	$120	$98	$0	Northfield 100%
2335451	5 January 2014	7 March 2014	43.81	$120	$98	$0	Northfield 100%
2335452	5 January 2014	7 March 2014	43.81	$120	$98	$0	Northfield 100%
2335453	5 January 2014	7 March 2014	43.8	$120	$98	$0	Northfield 100%
2335454	5 January 2014	7 March 2014	43.8	$120	$98	$0	Northfield 100%
2335455	5 January 2014	7 March 2014	43.8	$120	$98	$0	Northfield 100%
2335456	5 January 2014	7 March 2014	43.8	$120	$98	$0	Northfield 100%
2335457	5 January 2014	7 March 2014	43.77	$120	$98	$0	Northfield 100%
2335458	5 January 2014	7 March 2014	43.66	$120	$98	$0	Northfield 100%
2335459	5 January 2014	7 March 2014	43.66	$120	$98	$0	Northfield 100%
2335460	5 January 2014	7 March 2014	43.66	$120	$98	$0	Northfield 100%
2335461	5 January 2014	7 March 2014	43.66	$120	$98	$0	Northfield 100%
2335462	5 January 2014	7 March 2014	43.65	$120	$98	$0	Northfield 100%
2335463	5 January 2014	7 March 2014	43.65	$120	$98	$0	Northfield 100%
2335464	5 January 2014	7 March 2014	43.65	$120	$98	$0	Northfield 100%
2336786	17 January 2014	19 March 2014	43.63	$120	$98	$0	Northfield 100%
2336787	17 January 2014	19 March 2014	43.62	$120	$98	$0	Northfield 100%
2336788	17 January 2014	19 March 2014	43.81	$120	$98	$0	Northfield 100%
2336789	17 January 2014	19 March 2014	43.81	$120	$98	$0	Northfield 100%
2336790	17 January 2014	19 March 2014	43.8	$120	$98	$0	Northfield 100%
2349407	4 April 2014	4 June 2014	43.61	$120	$98	$0	Northfield 100%
2349408	4 April 2014	4 June 2014	43.61	$120	$98	$0	Northfield 100%

Claim	Renewal Date	Expiry Date	Area (ha)	Work Req'd/year	Rent/ year	Credit	Owner
2349409	4 April 2014	4 June 2014	43.61	$120	$98	$0	Northfield 100%
2349410	4 April 2014	4 June 2014	43.61	$120	$98	$0	Northfield 100%
2349411	4 April 2014	4 June 2014	43.60	$120	$98	$0	Northfield 100%
2349412	4 April 2014	4 June 2014	43.60	$120	$98	$0	Northfield 100%
2349413	4 April 2014	4 June 2014	43.60	$120	$98	$0	Northfield 100%
2349414	4 April 2014	4 June 2014	43.60	$120	$98	$0	Northfield 100%
2349415	4 April 2014	4 June 2014	43.60	$120	$98	$0	Northfield 100%
2349416	4 April 2014	4 June 2014	43.59	$120	$98	$0	Northfield 100%
2349417	4 April 2014	4 June 2014	43.59	$120	$98	$0	Northfield 100%
2349418	4 April 2014	4 June 2014	43.59	$120	$98	$0	Northfield 100%
2349419	4 April 2014	4 June 2014	43.59	$120	$98	$0	Northfield 100%
2349420	4 April 2014	4 June 2014	43.59	$120	$98	$0	Northfield 100%
2349421	4 April 2014	4 June 2014	43.58	$120	$98	$0	Northfield 100%
2349422	4 April 2014	4 June 2014	43.58	$120	$98	$0	Northfield 100%
2349423	4 April 2014	4 June 2014	43.58	$120	$98	$0	Northfield 100%
2349424	4 April 2014	4 June 2014	43.58	$120	$98	$0	Northfield 100%
2349425	4 April 2014	4 June 2014	43.58	$120	$98	$0	Northfield 100%
		Total=	**4459.14**	**$12,384**	**$10,016**	**$0**	

The term of a claim is two years, from the day the claim is registered and it can be renewed indefinitely providing the holder meets all the conditions set out in the Québec Mining Act. The Québec Mining Act includes provisions to allow any amount disbursed to perform work in excess of the prescribed requirements to be applied to subsequent terms of the claim.

To satisfy government assessment requirements and thus maintain the claim(s) in good standing, minimum exploration expenditures must be incurred and filed 60 days prior to the anniversary date(s) of the claim(s). The report of work is due prior to 60 days of the anniversary date. In Québec, the amount of expenditure per claim varies according to the surface area of the claim, its location north or south of 52° latitude, and the number of terms since its issuance, which escalates according to the schedules shown in ***Table 4-2*** and ***Table 4-3***.

Table 4-2: South of 52° of Latitude

Term	Surface Area of Claim		
	< 25 ha	**25 – 100 ha**	**> 100 ha**
1 to 3	$500	$1,200	$1,800
4 to 6	$750	$1,800	$2,700
7 or more	$1,000	$2,500	$3,600

Table 4-3: North of 52° of Latitude

Term	Surface Area of Claim		
	< 25 ha	25 – 45 ha	> 45 ha
1	$48	$120	$135
2	$160	$400	$450
3	$320	$800	$900
4	$480	$1,200	$1,350
5	$640	$1,600	$1,800
6	$750	$1,800	$1,800
7 or more	$1,000	$2,500	$2,500

Assessment work credits from another claim may be applied to the claim to be renewed, providing the renewed claim lies within a radius of 4.5 km from the centre of the claim with the excess work credits. The claim holder may apply amounts spent on work carried out on a mining lease or concession towards the renewal of a claim, provided that the work was performed during the term of the claim and that the amount does not exceed one quarter of the required amount for renewal. If the required work was not performed or was insufficient to cover the renewal of the claim, then the claim holder may pay a sum equivalent to the minimum cost of the work that should have been performed.

The cost of renewal of a claim depends on the surface area of the claim, its location, and the date the application is received. If the application for renewal and fees are received prior to 60 days before the anniversary of the claims(s) the following renewal fees apply for claims north of 52° latitude: less than 25 ha = $26; 25 to 45 ha = $96; 45 to 50 ha = $107; over 50 ha = $120. For claims south of 52° latitude the following renewal fees apply: less than 25 ha = $26; 25 to 100 ha = $52; over 100 ha = $78. These renewal fees double if the application is received within 60 days or less of the anniversary date of the claim(s).

4.2 Property Agreements

Northfield acquired its 100% right, title and interest in the Borel River Property on July 5, 2012 with the payment of $25,000 and the issuance to P.A. Bigué (the "Vendor") of 500,000 common shares of Northfield, which are subject to a standard regulatory 4-month hold period. The Vendor retains a 2% Net Smelter Return (NSR) royalty, and Northfield has the option to reduce the royalty from 2% to 1% by paying the Vendor $1,000,000. Northfield also has the right of first refusal on the royalty.

The Agreement further stipulates that should Northfield not complete a listing of its common shares on a Canadian stock exchange (a "**Listing**") on or before December 31, 2012, Northfield shall pay to the Vendor $5,000 on the first day of January 2013 and a further $5,000 on the first day of each month thereafter until a Listing is completed. At any time on or after January 1, 2013, each of the Vendor and Northfield shall have the right to give terminate the Agreement upon 30 days' notice.

4.3 Environmental liabilities

The iron formation underlying the Borel River Property remains unexplored and untested along the 20 km extent of the Property. As the Property has not been previously explored,

there are no environmental issues related to exploration programs. The Author is not aware of any existing environmental liabilities on the Property.

As of the writing of this report, the Author is not aware of encumbrances or environmental liabilities to which the Property could be subject. Northfield has assured the author that all exploration programs on the property have been and shall be conducted in an environmentally sound manner, and will follow, to the best of their abilities, the principles and guidelines outlined in the E3 Framework Document for Responsible Exploration (http://www.pdac.ca/e3plus/index.aspx).

4.4 Surface Rights and Work permits

Each claim provides access rights to a parcel of land on which exploration work may be performed. However, the claim holder cannot access land that has been granted, alienated or leased by the Province for non-mining purposes, or land that is the subject of an exclusive lease to mine surface mineral substances, without first having obtained the permission of the current holder of these rights.

As provided for by the James Bay and Northern Quebec Agreement (JBNQA) (http://www.gcc.ca/pdf/LEG000000006.pdf), the Nunavik region is divided into the following land categories:

- Category I Lands: Lands surrounding villages that are set aside for exclusive use and benefit of the native populations;
- Category II Lands: Public lands owned by the Crown-in-right-of-Québec with hunting, fishing and trapping rights exclusive to the Native people, and for which forestry, mining and tourism development authority is shared;
- Category III Lands: Public lands with some rights to the Native people for hunting, fishing and trapping without a permit or limit, subject to conservation principles.

The Property is within Category II Lands. The eastern boundary of the Property borders on Category I Lands of the village of Aupaluk (***Figure 4-1***). Prior to any exploration or development on the Property, the local First Nations people (Innu) should be notified and kept apprised proposed plans.

As of the effective date of this Report, the Author is not aware of any back-in rights, payments or other agreements, encumbrances, or royalty payments to which the Borel River Project could be subject.

Although no drilling permits are required to be submitted for the recommended exploration work on the Property, Northfield intends to notify the MRNFQ and the Local First Nations representatives of any intent to drill, for each diamond-drilling exploration program.

4.5 Restrictions on Work

The remoteness of the Property and the occasional harsh weather conditions of the region may prevent air access to the nearby communities and to the Property itself for prolonged periods (i.e., several days). To the author's knowledge there are no other significant factors and risks that may affect access, title, or the right or ability to perform work on the Property.

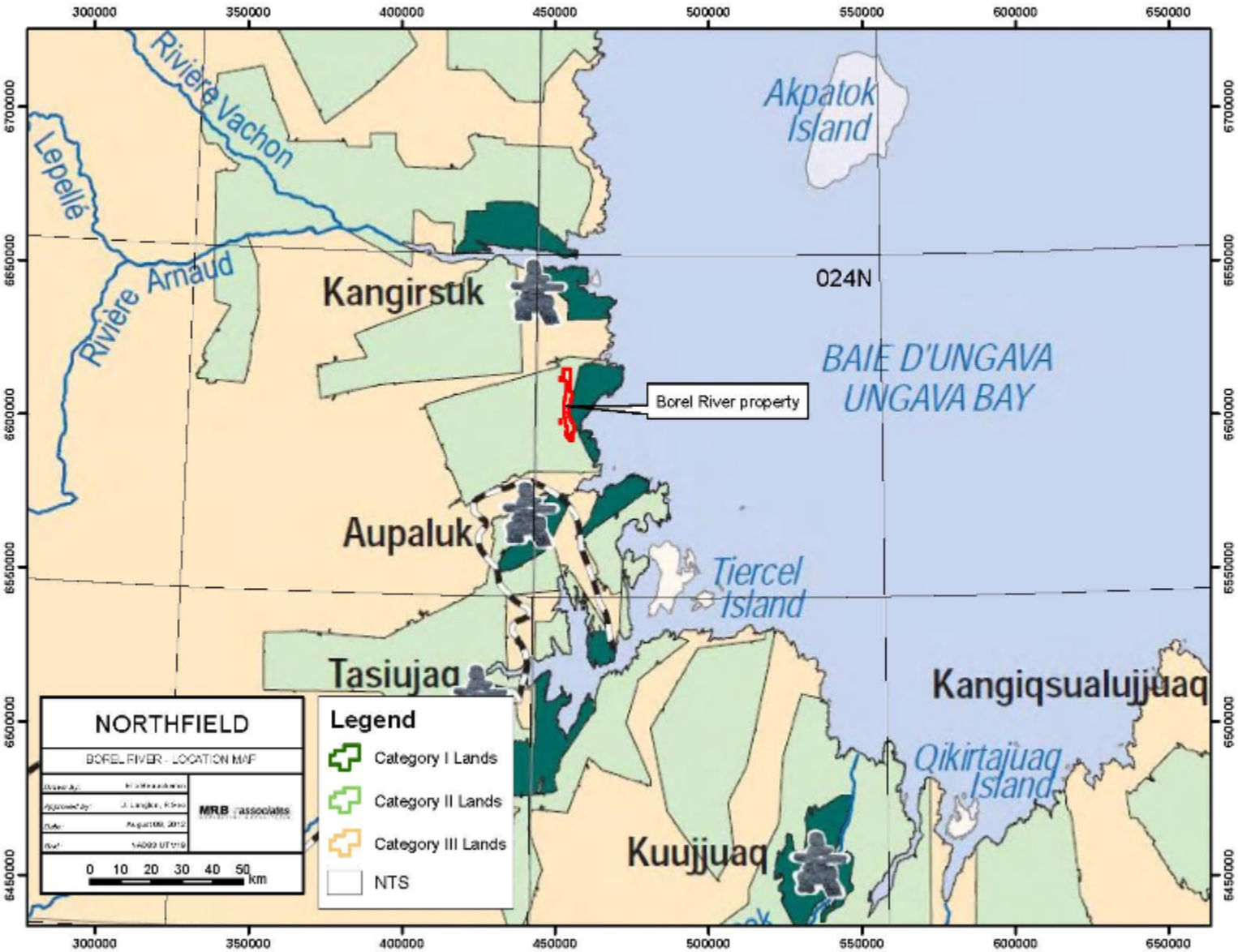

Figure 4-1: Map showing distribution of Land Categories surrounding the Property

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

5.1 Accessibility

The Borel River Property is accessible from Kangirsuk or Aupaluk, Quebec, via helicopter or float plane (***Figure 5.1***). Both of those communities are serviced by regularly scheduled flights by Air Inuit. First Air operates regularly scheduled flights to Kuujjuaq, originating out of Montreal.

5.2 Climate

The total annual precipitation is approximately 380 mm per year and the mean annual temperature is -6 o C. Winds are steady and sometimes reach high velocities, with an average of about 30 km per hour throughout the year. Due to the moderating influence of the sea, winter temperatures are not severe, and are comparable to northern Ontario and southern Labrador. The winters are long and the summers are short and cool. The climatic conditions are severe, though no more so than other regions of northern Canada.

Because of its relatively high latitude, extended day-light enhances the summer work-day period. Early and late winter conditions are acceptable for ground geophysical surveys and drilling operations. Mid-winter is not conducive to exploration activity due to the severe winter conditions and the remote location of the Property.

5.3 Local Resources

There are limitations on qualified personnel available locally for mining exploration in the area around the Property. Experienced mining personnel would be sourced from mining centres in southern Quebec. Adequate space is likely available for potential tailings storage areas, waste disposal areas, and sites for facilities but the project is not at a stage that enables the scale of facilities or specific locations to be speculated upon.

5.4 Infrastructure

The nearest road is about 10 km from the Property, near Aupaluk, meaning "Where the Earth is Red", a small community located on the shores of Hopes Advance Bay just off of Ungava Bay at approximately Latitude 59°19'01" N, Longitude 69°34'46" W. As of 2006, the population of Aupaluk was 188.

Kangirsuk, meaning "The Bay" in Inuktitut, is a small Inuit community some 55 km north of the Property on the shores of the Payne River, 15 km from Ungava Bay at approximately Latitude 60°01'05" N, Longitude 70°01'40" W. As of 2006, the population of Kangirsuk was 471.

Aupaluk and Kangirsuk are not connected to each other, nor to any other community by road. The major population centre for the region is Kuujjuaq, located about 150 km southeast of the property with a population of 2,130 (2006).

Lodging and food services are available in both Aupaluk and Kangirsuk.

No established electrical power sources are available to the project. Water sources are abundant in all areas of the Property.

Figure 5-1 Map Showing Locations of Northern Quebec Communities

5.5 Physiography

The physiography of the area is characterized by typical treeless tundra of the Canadian sub-Arctic. The Property slopes gentle from north to south with average elevations of 80 m above sea level (ASL) in the north to 40 m ASL in the south. Ridges of mostly barren outcrop rise 20 m to 30 m above the surrounding terrain (***Figure 5-2***). Much of the area is flat with the local hills and ridges forming prominent features. Numerous lakes, ponds and streams are present throughout the region (***Figure 5-3***). Drainage is generally eastward, towards Ungava Bay. A veneer of glacial material covers most of the area. On the tidal plains the till has been reworked and distributed by wave action to form a boulder and mud-flat cover. Large erratic boulders are scattered throughout the area. Post-glacial uplift of the area is evidenced by numerous raised beaches and prominent terraces, near Hopes Advance Bay. Glacial striae indicate the dominant ice movement was between 030º and 045º. Less abundant striae trend 080º.

Figure 5-2: Photograph of a prominent ridge of iron formation on the Property.

The vegetation in the vicinity of the Property consists of sub-Arctic tundra species including various small plants, mosses, and lichens. Animal species present on the property include caribou, muskox, and small game species such as artic hare, fox, and ptarmigan. The local river host abundant fish species including salmon and arctic char. In Ungava Bay, a small population of beluga whales is also present.

Figure 5-3. Typical sub-Arctic Tundra of the Borel River Property

6.0 HISTORY

*Note: The GESTIM and E-Sigeom web-sites allow on-line searching of Québec's database of Provincial Assessment Reports or "Gestimes Minieres" (GM's). The data are accessible online at https://gestim.mines.gouv.qc.ca/ and http://sigeom.mrnf.gouv.qc.ca/.

The history of the discovery and early exploration of iron resources within the Labrador Trough (see Figure 7.1) is described by P. E. Auger in his 1958 report for the Ungava Iron Ores Company as follows:

> "The Labrador Trough is a stratigraphic and structural unit, which has been reported in northern Quebec as early as 1852, by Father Babel, an Oblate missionary. In the latter part of the 19th Century, A. P. Low of the Geologic Survey of Canada mentioned the presence of abundant iron formation and in his report published in 1895, he recommends that the area be prospected for iron. In 1929, iron ore was found in Labrador by J. E. Gill and W. F. James in the iron formation of the Trough on the present property of the Iron Ore Company of Canada and in 1936, Dr. J. A. Retty made the first discovery of iron ore in Quebec and began the systematic exploration of the Labrador Trough. His work was followed by that of numerous others, including the writer (Auger).
>
> In the succeeding years from 1946 to date (1958) the Province of Quebec gave various companies large concessions covering most of the Labrador Trough from Knob Lake northward as far as Ungava Bay and southward as far as Mount Wright and Lake Mistassini. In 1951, a prospector, Ross Toms, staked the first claims in the Ford Lake region (Hopes Advance area). The samples collected on these claims were brought to Mr. Cyrus S. Eaton of Cleveland, Ohio USA, who foresaw the potential economic significance of ore of this type located near tidewater. Mr. Hugh Roberts, a well-known consulting geologist from Duluth, examined the samples and recognized at once the economic value of the material under consideration and recommended that some geologic studies and exploratory drilling be done on the ground which is now the property of Atlantic Iron Ores Limited
>
> In 1952 and 1953, exploration was pushed northward along the Labrador Trough and new outcrops of iron ore were discovered with the resultant acquisition by the Cyrus Eaton interests of the mineral rights on the International Iron Ores Properties, north and south of Payne River4. In the following years Oceanic Iron Ores Company (1953) and Quebec Explorers Limited (1956) obtained mining concessions on neighbouring grounds. This completed the granting of all the iron-bearing ground comprised within the Labrador Trough in Quebec."

The most active exploration period was between 1952 through 1961. Large iron mining operations were proposed in the Roberts Lake area near Kayak Bay, in the Morgan Lake area at Payne River, and at Hopes Advance Bay in the south. The project at Hopes Advance Bay was the most advanced with a detailed scoping study and pre-feasibility study being completed (called a feasibility study at that time).

During this same time period, substantial iron resources were being developed in the Central Domain of the Labrador Trough: at Labrador City (Labrador), Wabush (Labrador), and Mount Wright (Quebec), and large-production, Taconite-iron plants were being brought into production in Minnesota and Michigan (U.S.A.). As these projects were much closer to steel producing centres in the United States and Canada, their overall production costs were much

lower than could be achieved by mining the deposits in the Ungava Bay region. As a result, the Ungava projects were all suspended or terminated by the mid-1960's.

Minor exploration work continued in the area until the early 1970's. Since that time, the only exploration work comprised an NRCan (Natural Resources Canada) airborne geophysical survey of NTS 24-N flown in 2010.

6.1 Historic exploration and development work

Other than a reconnaissance mapping and sampling project carried out in 1956 by Atlantic Iron Ore Co. (GM4691A), there is no record of any systematic mineral exploration programmes having been carried out on the Borel River Property.

The areas around Morgan Lake and Castle Mountain (Hopes Advance area) have been the subject of recent exploration programmes by Oceanic Iron Ore Corp. ("**Oceanic**").

The following is quoted from Oceanic's October 29, 2010 technical report on their Ungava iron properties. The complete technical report may be obtained on SEDAR (www.sedar.com) under Oceanic's profile.

> "Morgan Lake Area:
> The Morgan Lake area iron deposits were first discovered in 1953 with active exploration commencing in 1955 and continuing through 1957.
>
> The Morgan Lake area includes iron deposits including Payne Range, Morgan Lake, Black Payne South, Extension Southeast, Esson Lake Northeast, Slush Lake North, Harnden Range, McOuat Range, and McCracken River. Exploration work completed on the property includes exploration drilling, surface sampling, surface mapping, and metallurgical test work. Detailed site layouts were completed for a processing plant and harbour near the Payne Range iron deposits. Drilling was completed on the Payne Range (29 holes) and Morgan Lake deposits (16 holes). Exploration was also conducted in the Black Payne South, Harnden Range, Esson Lake, and McOuat Range zones. A total of 45 drill-holes, totalling 3,611 m, were completed in the Morgan Lake area.
>
> Hopes Advance Area:
> The Hopes Advance area iron deposits were first discovered in 1951 with active exploration from that time continuing through 1962.
>
> The Hopes Advance area includes historically identified iron deposits including the Bay Zones A, B, C, D, E and F; Castle Mountain; Numbers 1, 2, 3, 4, 5, and 6 zones; the Northwest Corner, McDonald, and Iron Valley zones. Exploration work completed on the property includes exploration drilling, surface sampling, surface mapping, and metallurgical test work. Detailed site layouts and pit designs were completed for a processing plant along the Red Dog River and a harbour on Hopes Advance Bay.
>
> Eight of the deposits have had some drilling including: Bay (54 holes), Castle Mountain (53), Iron Valley (16 holes), No.1 (3 holes), No.2 (22 holes), No.4 (27 holes), McDonald (7 holes), and Northwest Corner zones (3 holes). Other mineralization in the Hopes Advance area includes the No.3 and No.6 zones. A total of 185 drill-holes, totalling 12,935 m, were completed in the Hopes Advance area."

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The iron formation that hosts the deposits west of Ungava Bay lies within a Paleo-Proterozoic fold and thrust belt known as the Labrador Trough, which hosts some of the most extensive iron formations in the world. The area is underlain chiefly by rocks that form the western, miogeosyncline part of the Labrador Trough in the Churchill Province of the Canadian Shield. The Labrador Trough, also known as the New Quebec Orogen and the Labrador-Quebec Fold Belt, extends for more than 1,000 km along the eastern margin of the Superior craton from Ungava Bay to the Manicouagan impact crater, Quebec. The fold and thrust belt is about 100 km wide in its central part and narrows considerably to the north and south (***Figure 7-1***). It marks the collision between the Archean Superior Province (circa 3.0 Ga to 2.5 Ga) and the Rae Province of the Hudsonian Orogeny (circa 1.82 Ga to 1.79 Ga). Rocks of the Rae Province were transported westward over the Archean Superior Province basement creating a foreland fold and thrust belt marked by a series of imbricate thrusts. The south-eastern part of the Rae Province that underlies the area east of the Labrador Trough is referred to as the eastern Churchill Province.

The Labrador Trough is divided into three geological domains. The Southern Domain is defined by the northern limit of the Grenville Orogenic Belt at approximately 53º24’00” North latitude, represented by the biotite metamorphic isograd. The Southern Domain encompasses Labrador Trough rocks that were metamorphosed during the Grenville Orogeny (circa 1.25 Ga to 0.98 Ga). High-grade metamorphism recrystallized the primary iron formations, producing coarse-grained sugary quartz, magnetite, and specular hematite schists that are amenable to concentration and beneficiation.

The Central Domain hosts regionally metamorphosed (greenschist metamorphic facies) iron-formation deposits comprising Achaean, mainly sedimentary rocks, including iron formations, volcanic rocks and mafic intrusions (the Kaniapiskau Supergroup). The Kaniapiskau Supergroup is sub-divided into the Knob Lake and Doublet groups. Rocks in the Southern Domain are recognized as the metamorphosed equivalents of the Knob Lake Group.

The Northern Domain, north of the Leaf Bay area (58º30’00” North latitude), comprises regionally metamorphosed rocks (lower amphibolite facies), much like those of the Southern Domain (***Figure 7-2***).

It is believed that only one iron-formation assemblage is present throughout the region. This formation varies in thickness and appears to have underlain the greater part of the original Labrador geosyncline. The iron formation in the Labrador Trough has been dated at 1,880 Ga ± 2 Ma (Hoffman, 1988; 1990). The succession of quartzite-iron formation-argillite, and their metamorphosed equivalents, persists throughout the three Domains.

7.2 Local Geology

Rocks of the Northern Domain of the Labrador Trough (“NLT”) rest unconformably on Archean granitic gneiss basement. Unconformably overlying the basement gneisses are the metamorphosed equivalents of the Lower Proterozoic Knob Lake Group. In the NLT these consist of the Ford Lake Formation (Wishart Formation) quartzite; Sokoman Formation (iron formation); Red Dog Formation (Menihek Formation) micaceous schist and slate, and; Leaf Bay Group (volcanic and sedimentary rocks)(***Table 7-1***). Intrusive rocks include pegmatites and aplite dykes, granodiorite plutons, amphibolites, gabbros and peridotite bodies.

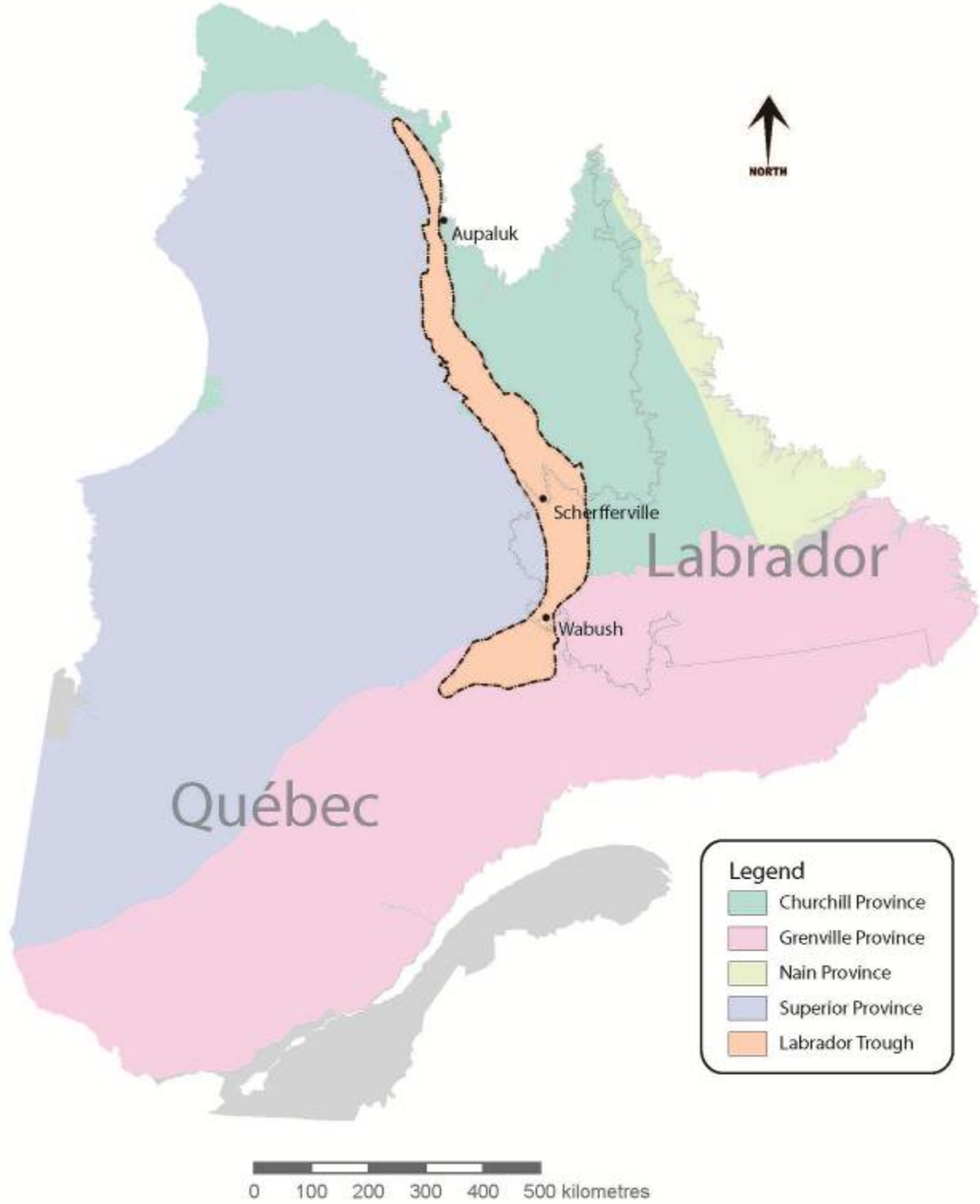

Figure 7-1 Location of the Labrador Trough with respect to the principal tectonic domains of Quebec and Labrador.

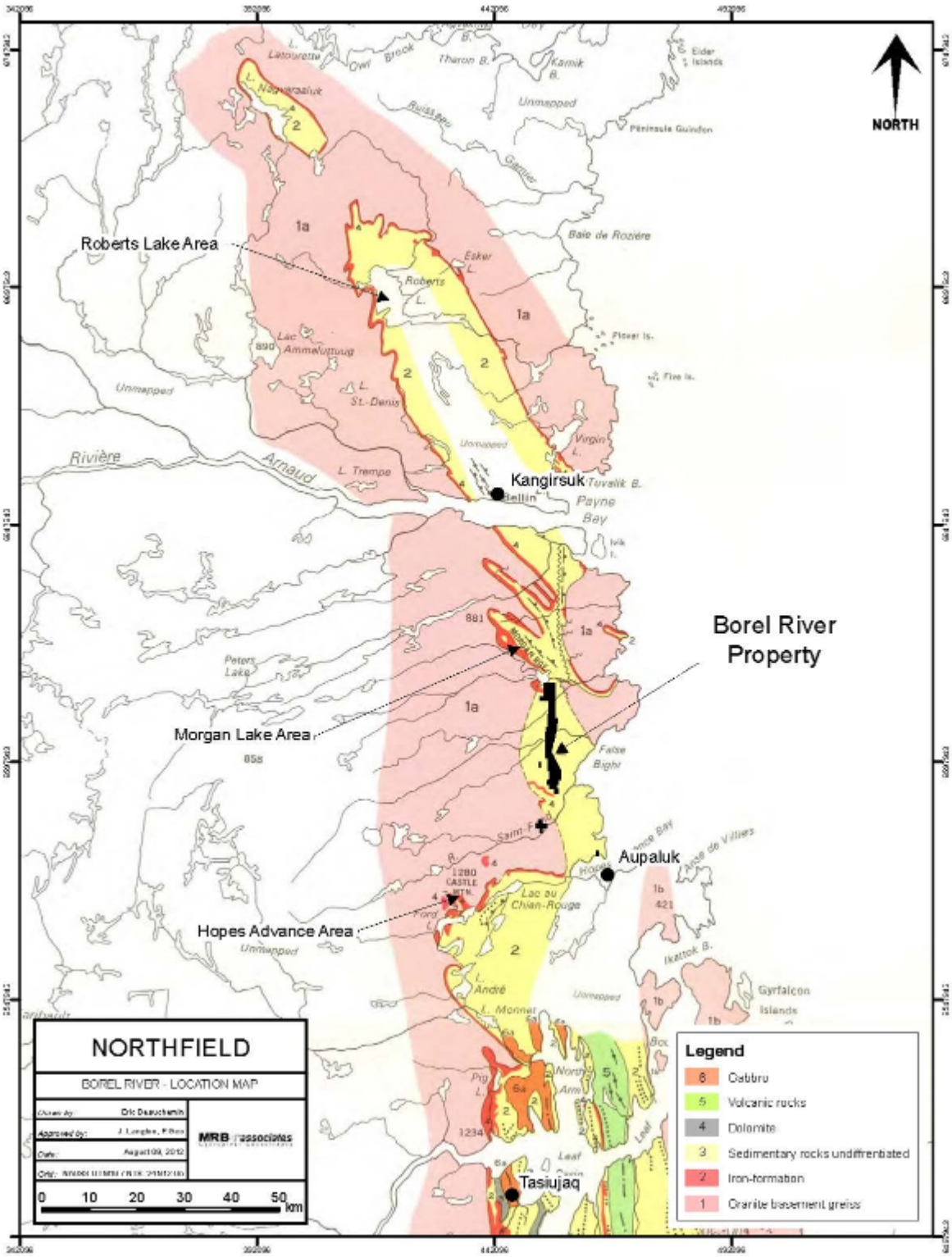

Figure 7-2: Simplified Geology of the Northern Labrador Trough, after Gross (1968).

Table 7-1 Stratigraphic Sequence in the Hopes Advance Area

Hopes Advance				Metres Thick
Late Precambrian	**Leaf Bay Group**	Volcanic and sedimentary rocks. Diorite and gabbro sills and amphibolitic rocks.	--	
	Red Dog Formation	Micaceous schist and slate with minor carbonate and quartzose beds.	--	
	Sokoman Iron Formation	Iron silicate-carbonate-quartz iron formation		15-30
		Grunerite-magnetite-quartz iron formation		10-15
		Hematite-magnetite-quartz iron formation		45-60
		Carbonate-iron silicate-magnetite-quartz iron formation		12-15
	Ford Lake Formation	Quartzite and garnet-biotite-chlorite schist		Up to 30
		Unconformity		
Early Precambrian				
	Archean Complex	Granite and granite gneiss		

7.3 Property Geology

Observations from the Author's site visit indicate that the stratigraphy underlying the Property strikes generally north-south and dips between 45º and 65º to the east. The geological descriptions that follow incorporate the observations of the Author recorded during the July 2012 site visit. The general geology of the Property (***Figure 7-3)*** is derived from Quebec Provincial Geological Compilation Maps "24N05 – Aupaluk", and "24N12 – Baie de Bonnard" (Sigeom, 2008).

7.3.1 Tectono-stratigraphy

The tectono-stratigraphic sequence on the Property youngs from west to east. Folds are typically overturned with axial-planes dipping east.

<u>Basement rocks</u>
The basement rocks comprise the Western Gneissic Complex, which underlie the western part of the Property. The dominant rock is a pink (locally grey), medium- to coarse-grained granitic (augen) gneiss, composed of ovoids of microcline in a finer-grained quartz-plagioclase-biotite matrix.

<u>Ford Lake (Wishart) Formation</u>
Quartzite generally occurs as a discontinuous basal bed a few centimetres to a few metres thick interbedded with lower schists. It may be separated from the basement gneiss by schistose rocks. The quartzite is generally blue-grey, fine-grained, compact and glassy. It is composed of sub-angular quartz grains of one to two millimetres. Impurities include magnetite garnet, iron-amphibole and chlorite.

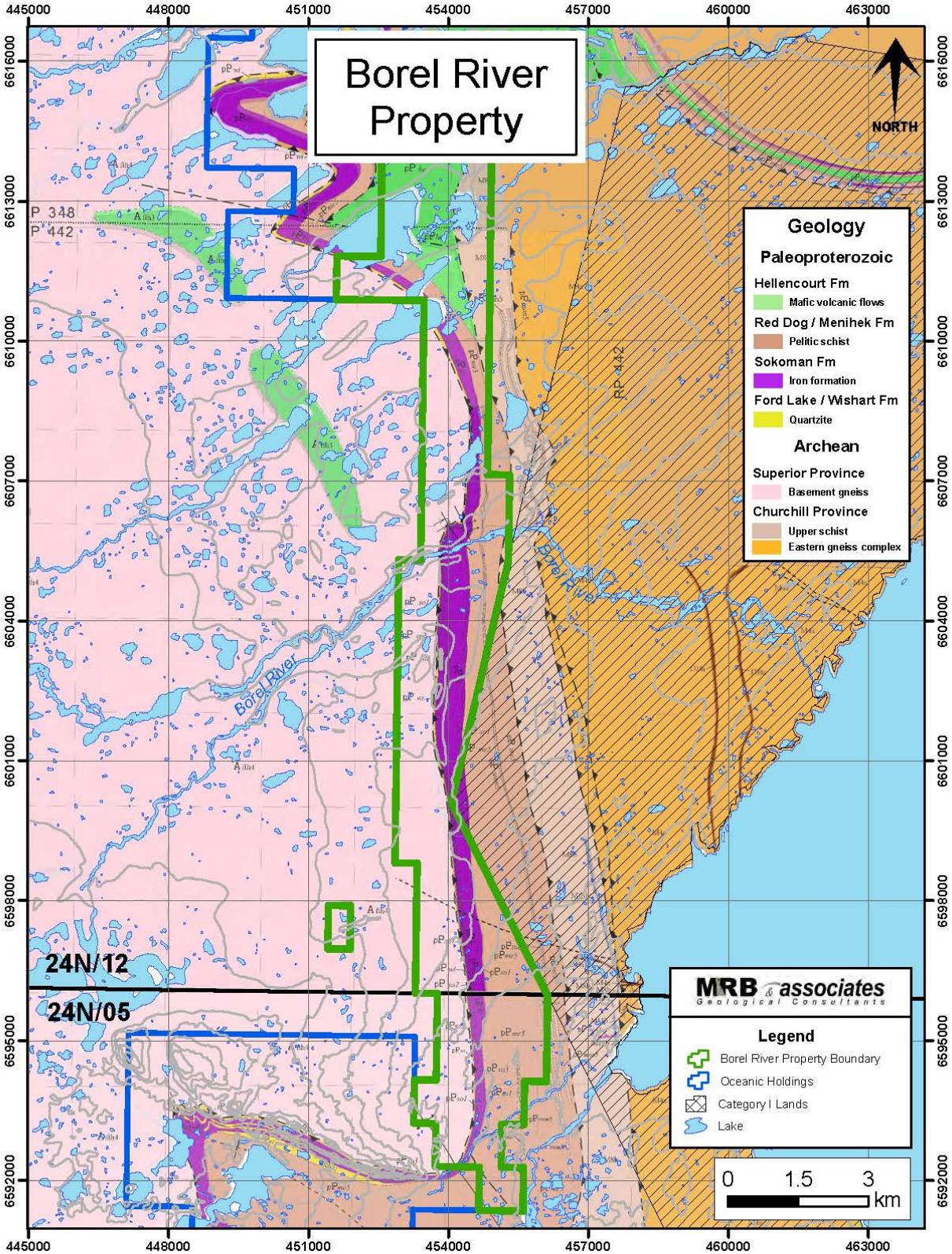

Figure 7-3: General geology of the Borel River Property area.

Sokoman Formation

Silicate member: This is a schistose unit composed mainly of quartz and iron-rich silicates, with some local and thin bands of magnetite and hematite.

Oxide member: The oxide member consists of siliceous hematite and magnetite. This unit is divided into two sub-members, hematite and magnetite, based on which of the two oxides predominates.

Spotted Carbonate member: The spotted carbonate member is the youngest member of the Sokoman sequence. It consists of white sugary quartz with thin discontinuous beds of carbonate, mainly siderite. This member is more siliceous near the base and grades into a rusty orange, ferriferous, quartz rock. Near the top, the carbonate member is interlayered with the over-lying quartz mica schists.

Where it was examined on the Property, the Sokoman Formation is highly deformed and multiple-phases of meso-scale, open to tight folds were observed (***Figure 7-4***). This style of deformation is not reflected by the regional distribution of units as the strain has been particularly concentrated into the incompetent iron formation beds.

Figure 7-4: Intensely deformed Sokoman Formation.

Red Dog (Menihek) Formation
This sequence overlies the Sokoman iron-bearing rocks and comprises a succession of metamorphosed impure sandstones, siltstones and shales. The main rock type is a fine-grained, greyish-white, quartz-biotite-muscovite schist. Quartz-muscovite-biotite-plagioclase schist and quartz-muscovite schist flecked with biotite occur near the base and grade upward into slate, garnetiferous slate, black shale, and sericite schist. In the northern part of the Property this unit is overlain by a series of mafic volcanic flows of the Hellencourt Formation.

Archean (upper) Schist
For most of the Property the Red Dog Formation has been over-thrust by a sequence of older (Archean) quartz-biotite-muscovite-plagioclase schist, quartzose schist, phyllite, and micaceous slate known as the Upper Schist. The Upper Schists is arbitrarily separated from the overlying Eastern Gneiss Complex by a high-strain thrust contact.

Eastern Gneiss Complex
This unit consists of quartz-plagioclase-biotite paragneiss of the eastern Churchill (Rae) Province.

The prospective areas on the Property are those underlain by iron formation, especially where it has been structurally thickened and occupies the cores of synformal folds.

7.4 Mineralization

Iron formations are the principal sources of iron throughout the world (Gross, 1996). In order for the sedimentary rock sequences to be classified as iron formation they must have over 15% Fe content, whereas in order to be classified as ore, the iron content must generally be over 30% Fe.

For iron formation to be mined economically, a minimum iron content is required (generally 30% Fe +/- 2%), but also the iron oxides must be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese and deleterious elements such as silica, aluminium, phosphorus, sulphur and alkalis.

The Labrador Trough iron deposits are classified as stratiform, Lake Superior-type. Locally, deformation and metamorphism of the principle iron formation unit (the Sokoman Formation) has tectonically thickened the iron formation and coarsely recrystallized the rock. The coarser-grained iron is desirable as it is easier to process and more amenable to beneficiation.

Exploration conducted during the 1950's (refer to ***Section 6.0***) identified several iron deposits in the Morgan Lake and Hopes Advance Bay areas, north and south of the Property, respectively.

In the Morgan Lake area, magnetite in the chert-magnetite portion of the iron formation is very fine-grained. At Hopes Advance Castle Mountain iron deposit, the iron deposits consist of a mixture of magnetite and hematite and is higher-grade and relatively coarser-grained than at the occurrences in the Morgan Lake area. No data is available about the iron mineralization on the Property, which is hosted by the same iron formation present in the Morgan Lake and Hopes Advance areas.

Observation from the Author's July, 2012 site visit, which consisted of a cursory field examination of three (3) sites in the central part of the Property only, revealed that the iron

formation that comprises the majority of the Sokoman Formation underlying the Property is comprised mainly of a siliceous magnetite-specular hematite schist containing recrystallized, granular quartz with fine, platy specular hematite and bands of carbonate and grunerite.

7.4.1 Mineralization Controls

Concentrations of iron in the Labrador Trough are the result of the:

- primary iron content of iron formation;
- geometry of structure(s): mineralization is typically thickened in synclinal "U"-shaped structures that are favourable for open pit design, or in the preserved limbs of synclines;
- degree of structural folding; intersections of two phases of folding are more favourable;
- host rock characteristics, such as grain-size;
- degree of metamorphism

Where exposed, the iron-rich strata are easily recognized visually, and are typically well outlined by airborne and ground magnetic and gravity geophysical surveys. Magnetic "highs" outline magnetite-rich iron formations, whereas magnetic "lows" that coincide with gravity "highs" tend to be hematite-rich iron formations. The taconite iron formation in the area tends to have positive relief and the iron mineralization is easily recognized visually from the air by the reddish, rust-coloured exposures of bedrock. Notably, the Inuktituk word "Aupaluk", which gives the nearby community its name, means "Where the Earth is Red".

The iron in the Sokoman Formation occurs mostly in its oxide form, mainly as magnetite (Fe_3O_4) and to a lesser extent as specular hematite (Fe_2O_3) – also called specularite in its coarse-grained form. Some iron is present in iron silicates such as amphiboles (grunerite) and in carbonates such as ankerite. The main gangue mineral is quartz/silica (SiO_2), which constitutes about 50% of the iron formation - these units are called quartz-specularite schists.

8.0 DEPOSIT TYPES

The iron mineralization hosted by the Sokoman Formations iron formations on the Borel River Property are classified as Lake Superior-type, which consists of a banded sedimentary unit composed principally of bands of iron oxides, magnetite and hematite within quartz (chert)-rich rock with variable amounts of silicate, carbonate and sulphide lithofacies. In order for the sedimentary rock sequences to be classified as iron formation they must have ≥15% Fe content, whereas in order to be classified as ore, the iron content must generally be ≥30% Fe.

Such iron formations have been the principal sources of iron throughout the world (Gross, 1996). ***Table 8-1*** after Eckstrand (1984) presents the salient characteristics of the Lake Superior-type iron deposit model.

Lake Superior-type ores have characteristics of iron ores that require concentration to produce saleable products. Lake Superior-type iron formations are deposited in shallow waters on continental shelves and in shallow sedimentary basins. This type of iron formation contains a variety of ore types that can be grouped into two main categories: 1) direct shipping, and; 2) concentrating ores.

Direct Shipping Ore (DSO) has a natural iron (Fe) content ≥50% and include the hard ores of northern Michigan and residual ores that have been mined in Australia, Brazil, Michigan, Minnesota and the Labrador Trough of Canada. "Hard Ore" is high-grade, massive, and composed of magnetite and hematite. So called "Residual Ore" is typically composed of hematite and martite and may contain goethite and limonite. Residual Ore has been upgraded by weathering processes that remove gangue minerals, principally quartz, from the iron formation, thereby increasing the relative concentration of iron in the residual host rock.

Concentrating Ore typically comprises magnetite/ hematite and silicate minerals at relatively low grades (20-30% Fe) that require processing (grinding) to liberate the magnetite and/or hematite from the silicate minerals. Magnetite is concentrated by magnetic methods and hematite is concentrated by gravity or flotation methods.

The value of Concentrating Ore is determined by a combination of Fe grade and ease of liberation. For example, a lower Fe-grade ore may have a higher value than a higher Fe-grade ore if it liberates at a coarser grind enabling greater throughput with lower grinding costs. The iron ore mining operations that are currently active in the Central Domain of the Labrador Trough (IOC - Iron Ore Company of Canada, QCM - Quebec Cartier Mining Company, and Wabush Mines) host iron ore deposits that are suitable for concentrating.

For iron formation to be mined economically, there will be a minimum iron content required at a given market price (generally ≥ 30% Fe), but also the iron oxides must be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese and deleterious elements such as silica, aluminium, phosphorus, sulphur and alkalis. Beneficiation involves segregating the silicate and carbonate lithofacies and other rock types interbedded within the iron formation from the iron-rich oxides. Beneficiation of taconite ores has resulted in the successful production of many contemporary iron deposits.

Table 8-1: Deposit model for Lake Superior-type iron formation (after Eckstrand, 1984)

Commodities	Fe (Magnetite)
	Knob Lake, Wabush Lake and Mont-Wright areas, Quebec and Labrador, Mesabi Range, Minnesota; Marquette Range, Michigan; Minas Gerais area, Brazil.
Importance	Canada: the major source of iron. World: the major source of iron.
Typical Grade, Tonnage	Up to billions of tonnes, at grades ranging from 15 to 45% Fe, averaging 30% Fe.
Geological Setting	Continental shelves and slopes possibly contemporaneous with offshore volcanic ridges. Principal development in middle Precambrian shelf sequences marginal to Archean cratons.
Host Rocks or Mineralized Rocks	Iron formations consist mainly of iron- and silica-rich beds; common varieties are taconite, itabirite, banded hematite quartzite, and jaspilite; composed of oxide, silicate and carbonate facies and may also include sulphide facies. Commonly intercalated with other shelf sediments: black
Associated Rocks	Bedded chert and chert breccia, dolomite, stromatolitic dolomite and chert, black shale, argillite, siltstone, quartzite, conglomerate, redbeds, tuff, lava, volcaniclastic rocks; metamorphic equivalents.
Form of Deposit, Distribution of Ore Minerals	Mineable deposits are sedimentary beds with cumulative thickness typically from 30 to 150 m and strike length of several kilometres. In many deposits, repetition of beds caused by isoclinal folding or thrust faulting has produced widths that are economically mineable. Ore mineral distribution is largely determined by primary sedimentary deposition. Granular and oolitic textures common.
Principal Ore Minerals Associated Minerals	Magnetite, hematite, goethite, pyrolusite, manganite, hollandite. Finely laminated chert, quartz, Fe-silicates, Fe-carbonates and Fe-sulphides; primary or metamorphic derivatives
Age, Host Rocks	Precambrian, predominantly early Proterozoic (2.4 to 1.9 Ga).
Age, Ore	Syngenetic, same age as host rocks. In Canada, major deformation during Hudsonian and, in places, Grenvillian orogenies produced mineable thicknesses of iron formation.
Genetic Model	A preferred model invokes chemical, colloidal and possibly biochemical precipitates of iron and silica in euxinic to oxidizing environments, derived from hydrothermal effusive sources related to fracture systems and offshore volcanic activity. Deposition may be distal from effusive centres and hot spring activity. Other models derive silica and iron from deeply weathered land masses, or by leaching from euxinic sediments. Sedimentary reworking of beds is common. The greater development of Lake Superior-type iron formation in early Proterozoic time has been considered by some to be related to increased atmospheric oxygen content, resulting from biological evolution.
Ore Controls, Guides to Exploration	1. Distribution of iron formation is reasonably well known from aeromagnetic surveys. 2. Oxide facies is the most important, economically, of the iron formation facies. 3. Thick primary sections of iron formation are desirable. 4. Repetition of favourable beds by folding or faulting may be an essential factor in generating widths that are mineable (30 to 150 m). 5. Metamorphism increases grain size, improves metallurgical recovery. 6. Metamorphic mineral assemblages reflect the mineralogy of primary sedimentary facies. 7. Basin analysis and sedimentation modelling indicate controls for facies development, and help define location and distribution of different iron formation facies.
Author	G.A. Gross

9.0 EXPLORATION

9.1 Airborne Geophysical Survey (2012)

The results from the Airborne Survey, which was an airborne magnetic-response (aeromag') survey, flown by K8aranda Geophysics of Wendake (Quebec) over Northfield's Borel River Property from July 26th to July 28th, 2012, outlined strong magnetic signatures interpreted as iron formation. The complete results of this 2012 geophysical survey will be submitted to the Quebec Provincial MRNF for Assessment credits (*Brown, C., 2012: GM #Pending)*.

The Airborne Survey delineated a roughly linear trend of strong magnetic anomalies interpreted as iron formations on the Property (***Figure 9-1***). The Central Zone corresponds to a large ridge of exposed iron formation that was examined by the Author during the site visit on July 28th 2012. The ridge trends generally north-south and is approximately 3.0 km by 0.5 km.

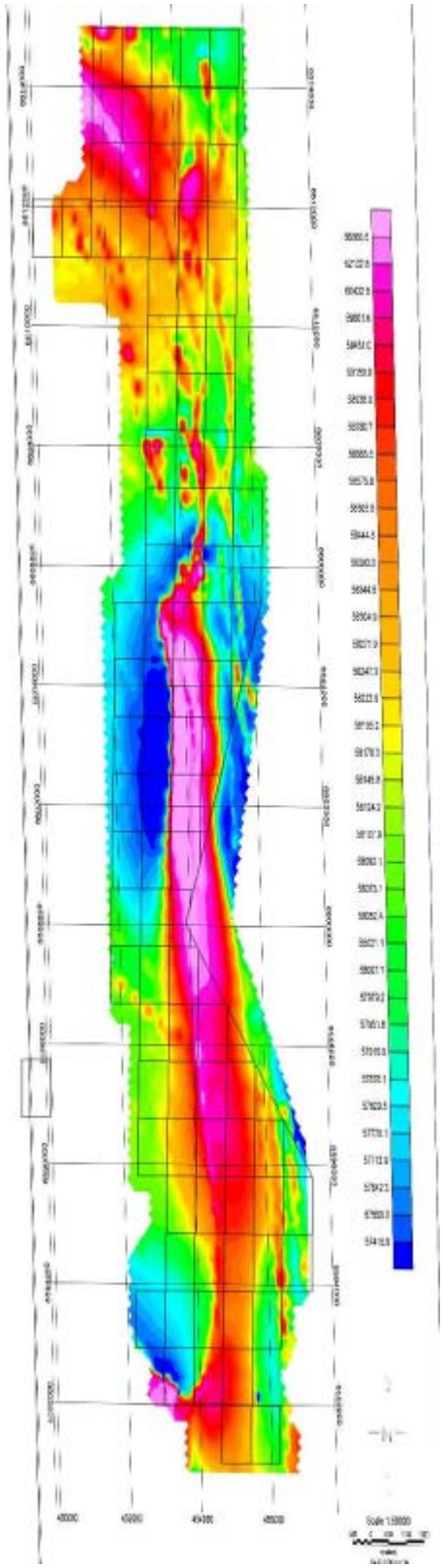

Figure 9-1: Total Magnetic Intensity Map showing Borel River Property boundary.

10.0 DRILLING

This section is not applicable to this Report, as no drilling, nor any other exploration work, has been carried out on the Property to date.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

This section is not applicable to this Report, as there are no known historic or current collected samples or assay results from the Property.

12.0 DATA VERIFICATION

This section is not applicable to this Report, as there are no previous data available from the Property for verification.

12.1 Site Visit

Mr. Banks, who is independent of Northfield, and who is a Qualified Person (QP) under the terms of NI 43-101, conducted a site visit of the Borel River Property on July 28th, 2012 accompanied by John Langton, a director of Northfield. During the visit to the site, Mr. Banks located and examined a prominent ridge of iron formation, explored the general landscape and surface features recorded on geological maps and figures available from Provincial on-line databases.

Mr. Banks visited a number of outcrops and confirmed that the location and extent of the iron formation at these locations were consistent with the latest geological maps of the area. The maps of the area, and the descriptions in the historic work reports, appear to be accurate and reliable.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

This section is not applicable to this Report.

14.0 MINERAL RESOURCE AND ESTIMATES

This section is not applicable to this Report.

15.0 MINERAL RESERVE ESTIMATES

This section is not applicable to this Report.

16.0 MINING METHODS

This section is not applicable to this Report.

17.0 RECOVERY METHODS

This section is not applicable to this Report.

18.0 PROJECT INFRASTRUCTURE

This section is not applicable to this Report.

19.0 MARKET STUDIES AND CONTRACTS

This section is not applicable to this Report.

20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

This section is not applicable to this Report as Northfield has not completed a Feasibility Study.

21.0 CAPITAL AND OPERATING COSTS

This section is not applicable to this Report.

22.0 ECONOMIC ANALYSIS

This section is not applicable to this Report.

23.0 ADJACENT PROPERTIES

The nearest active iron mining operation to the Property is at Schefferville, approximately 600 km to the south-southeast. There are no other properties owned by Northfield in the vicinity of the Borel River Property.

24.0 OTHER RELEVANT DATA AND INFORMATION

As provided for by the James Bay and Northern Quebec Agreement (JBNQA) (http://www.gcc.ca/pdf/LEG000000006.pdf), the Nunavik region is divided into the following land categories:

- Category I Lands: Lands surrounding villages that are set aside for exclusive use and benefit of the native populations;
- Category II Lands: Public lands owned by the Crown-in-right-of-Québec with hunting, fishing and trapping rights exclusive to the Native people, and for which forestry, mining and tourism development authority is shared;
- Category III Lands: Public lands with some rights to the Native people for hunting, fishing and trapping without a permit or limit, subject to conservation principles.

The Property is within Category II Lands; however, the eastern boundary of the Property borders on Category I Lands of the village of Aupaluk. A small area of the extreme western part of the Category I lands overlie a section of the iron formation, approximately 4 km south of the Borel River. Prior to any further exploration or development on the Property, the local First Nations people (Innu) should be notified and kept apprised.

25.0 INTERPRETATION AND CONCLUSIONS

Other than minor regional geological surveys carried out by exploration companies in the late 1950's the Borel River Property has received very little attention with respect to mineral exploration. A Natural Resources Canada sponsored, regional aeromag' survey in 2010 covered much of the northern Labrador Trough, including the Property. Although previous exploration companies were aware of the iron formation that underlies the area of the current Borel River Property, the remoteness of the area and the discovery of other nearby deposits made the Property a lower priority target that has remained essentially unexplored (see ***Section 6.0***).

The Airborne Survey and ground observations completed by Northfield in 2012 shows that there is a large area of iron mineralization (iron formation) underlying a 16 km north-south corridor of the Property that may have potential for commercial development. This iron-rich zone is best exposed on two prominent ridges, just south of where the Borel River transects the Property. The ridges are approximately 3 km x 300 m and 2 km x 100 m and are interpreted to represent the two limbs of an overturned, east-dipping synform, cored by younger Red Dog Formation metasediments (schist).

North of the Borel River, the geology and geophysical signature show that the iron formation follows a sharp, Z-verging fold and then "disappears" to the north. The plunge of the synform may have brought it to surface at this point, or the iron formation may be more hematite rich, and hence less magnetic, north of the river. As the northern part of the Property is mainly covered by glacial deposits, further ground work will be needed to determine its potential for iron mineralization.

South of the iron ridges, geophysical results show a strong magnetic-response anomaly, of equal intensity to the iron ridges, that continues 5 km southward gradually losing intensity. Approaching the southern limit of the Property, the magnetic-response again increases.

The objective of the 2012 Airborne Seurvey was to corroborate the location and existence of iron formation on the Property and provide a preliminary evaluation for the potential of this iron formation to be defined as an iron resource.

Results of the 2012 programme, which comprised the Airborne Survey and Author's site visit, confirm that there is likely a substantial thickness and strike-length of iron formation underlying the Property containing a potential iron resource. The true grade and amount of iron deposits most amenable to mining have yet to be determined, but there exists a potential for iron deposits of economic grade and tonnage.

The Borel River Property is in close proximity to the Morgan Lake and Hopes Advance projects of Oceanic Iron Ore Corp., which are being actively investigated for their iron potential.

26.0 RECOMMENDATIONS

A thorough examination of available data on the Borel River Property shows that the Sokoman (iron) Formation underlying the area constitutes a potential iron ore resource of significant proportion. The true grade of the iron formation in the areas most amenable to mining have yet to be determined but there exists the possibility of a sizeable deposit of economic grade.

The Author is of the opinion that further exploration is necessary in order to determine the full iron potential of the Property.

The iron formation identified at the Borel River Property warrants further investigation to define its surface distribution, extent, petrology, mineralogy, metallurgical characteristics, and three dimensional (sub-surface) geometry.

The following two-phase exploration programme is recommended. Note that although the cost of Phase II is largely dependent on Phase I, the overall budget (Phase I and Phase II is estimated at $3.1 million (including 15% for contingencies). Phase I is budgeted at $516,580. Phase II is budgeted at $2,624,300 and is conditional on positive results from Phase I.

Phase I

- a proposal to re-classify the wedge of Category I lands that overlaps the iron formation, approximately 4 km south of the Borel River, to Category II land, should be tabled with the local First Nations peoples and the Provincial Government;
- systematic field mapping and sampling of bedrock exposures, with particular emphasis on the Sokoman (iron) Formation;
- channel-cutting and sampling - perpendicular to strike - of the two prominent ridges south of Borel River to obtain baseline iron-content assays across the exposed iron formation;
- selection of representative samples from the various Sokoman Formation Members for whole-rock analysis in order determine levels of elements deleterious to iron beneficiation processes (i.e., silica, amphibole, aluminium, sulphur), and;
- a localized ground gravimetric survey north of the Borel River to determine whether the low-magnetic response of the area is coincident with a high gravity response.

Phase II

- a 3,500 metre diamond-drilling program, with on-strike centres spaced at approximately 600 m, to support the interpretation of the sub-surface geometry and extent, of the iron-formation, and;
- integration of the drill-hole data into a 3-D Gemcom® model in preparation for a Mineral Resource Estimate prepared in accordance with NI 43-101.

Table 26-1: Proposed Budget for Recommended Work

Description	Unit Cost	Units	Time / Unit	Total Cost
Phase I - Geological Mapping, Prospecting and Ground geophysics				
Helicopter support	$1,500	$/hour	120	$180,000
Helicopter mob/demob	$1,500	$/hour	16	$24,000
Room and Board	$200	$/person/day	90	$18,000
Mob and Demob of Crew Members	$12,000	$/person	3	$36,000
Ground Gravity survey & interp'n	$4,000	$/km	15	$60,000
Head-office Supervision	$1,200	$/day	10	$12,000
Project Geologist	$1,200	$/day	30	$36,000
1 Senior Field Geologist	$1,000	$/day	30	$30,000
1 Junior Field Geologist	$800	$/day	30	$24,000
1 Technician (channelling, sampling)	$425	$/day	24	$10,200
Assays	$40	$/sample	400	$16,000
Satellite Phones (2)	$1,500	$/month	2	$3,000
Sub-Total:				**$449,200**
Contingencies	15%			**$67,380**
Phase 1 Total:				**$516,580**
Phase II - Diamond-drilling Programme				
Diamond Drilling	$500	$/metre	3500	$1,750,000
Reflex device (deviation tests)	$2,500	$/month	2	$5,000
Core logging facility	$2,000	$/month	2	$4,000
Helicopter support	$1,500	$/hour	125	$187,500
Helicopter mob/demob	$1,500	$/hour	16	$24,000
1 Senior Field Geologist	$1,000	$/day	75	$75,000
1 Junior Field Geologist	$800	$/day	30	$24,000
1 Technician (core splitting)	$425	$/day	60	$25,500
Room and Board	$200	$/person/day	200	$40,000
Mob and Demob of Crew Members	$12,000	$/person	4	$48,000
Satellite Phones (2)	$1,500	$/month	2	$3,000
Assays	$40	$/sample	2,400	$96,000
Sub-Total:				**$2,282,000**
Contingencies	15%			**$342,300**
Phase 2 Total:				**$2,624,300**
Overall Total:				***$3,140,880***

27.0 REFERENCES

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28.0 DATE AND SIGNATURE PAGE

The undersigned prepared this Technical Report entitled "Technical Report on the Borel River Property, Province of Quebec", with an effective date of August 30th, 2012, in support of the public disclosure of technical aspects of the acquisition and exploration of the Borel River Property by Northfield Metals Inc. The format and content of this Technical Report are intended to conform to Form 43 101F1 of National Instrument 43-101 of the Canadian Securities Administrators.

Signed,

Peter Banks, B.Sc., P.Geo
August 30, 2012

CERTIFICATE OF QUALIFICATION: PETER BANKS

I, **Peter Banks, P. Geo.**, of 203 Honeysuckle Drive, Saint John, NB (E2M 7T3) do hereby certify that:

1. This Certificate applies to *"National Instrument 43-101 Technical Report, Boral River property, Quebec, NTS 24-N/05 & 24-N/12"* dated August 30, 2012;
2. I graduated from the University of New Brunswick in 1993 with a B.Sc. in Geology, and I have practised my profession continuously since that time;
3. I am currently self-employed and I am a Professional Geologist currently licensed by the Association of Professional Engineers and Geoscientists of New Brunswick (Licence M7250), and awaiting confirmation of acceptance into the *Ordre des géologues du Québec*;
4. I have worked as a field geologist for 19 years. I have knowledge and experience with regard to a number of mineral deposit types and with the procedures involved in exploring for iron-ore, including and the preparation of reports relating to them. My expertise was acquired with Noranda Exploration Ltd., International Pursuit Corp., Slam Exploration, Rockport Mining Corp., and Champion Minerals Inc;
5. I have read the definition of "qualified person" set out in the National Instrument 43-101 and declare that I fulfil the requirements to be an independent qualified person for the purposes of NI 43-101;
6. I have been retained by Northfields Metals Inc. a body corporate having a registered office at 20 Adelaide Street East Suite 301, Toronto, ON, M5C 2T6, as a contract/consulting geologist, and not as an employee;
7. I have no prior involvement with Northfields Metals Inc., nor with the Property that is the subject of this Report;
8. I have prepared and take responsibility for all sections of this Report and personally visited the site on July 28, 2012;
9. I have no personal knowledge, as of the date of this certificate, of any material fact or change, which is not reflected in this Report;
10. I am "independent" of Northfields Metals Inc. with respect to the conditions defined in Section 1.5 NI 43-101. Namely: that there is no circumstance that, in the opinion of a reasonable person aware of all relevant facts, could interfere with my judgment regarding the preparation of the Report;
11. I have read NI 43-101, Form 43-101F1 and the Report and I have prepared the Report in compliance with them and in conformity with generally accepted Canadian mining industry practice, and;
12. As of the date of the certificate, to the best of my knowledge, information and belief, this Report contains all scientific and technical information that is required to be disclosed to make this Technical Report not misleading.

DATED this 30th Day of August, 2012

(Signed) Peter G. Banks, B.Sc., P. Geo.,

REGISTERED PROFESSIONAL GEOSCIENTIST
Province of New Brunswick
M7250
Peter G. Banks
Signature
Aug 30, 2012
Date
Province du Nouveau-Brunswick
GÉOSCIENTIFIQUE IMMATRICULÉ