FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: **FIVE NINES VENTURES LTD.** (the "Issuer").

Trading Symbol: **FIV**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly 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) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.

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

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

See "Related Parties" in Schedule A.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

1,000,000 shares were issued during the period from October 1, 2012 to December 31, 2012.

(b) summary of options granted during the period,

No options were granted during the period from October 1, 2012 to December 31, 2012.

3. Summary of securities as at the end of the reporting period.

As at December 31, 2012:

Authorized Share Capital	Unlimited
Shares issued and outstanding for the period	16,909,168
Options outstanding	2,009,000
Escrow Share Balance as of December 31, 2012	4,967,251

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Carman Parente	President & CEO, Director
F. George Orr	Chief Financial Officer, Director
Terence (Terry) Schorn	Director
Paul Robson	Director
Dan Patrie	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Interim MD&A is attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 28, 2013.

Carman Parente
Name of Director or Senior Officer

"Carman Parente"
Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer Five Nines Ventures Ltd.	For Quarter Ended December 31, 2012	Date of Report YY/MM/D 2013/02/28
Issuer Address 106, 1641 Lonsdale Avenue		
City/Province/Postal Code North Vancouver, BC V7M 2T5	Issuer Fax No. (604) 876-5564	Issuer Telephone No. (604) 880-3144
Contact Name Stacy Broadoway	Contact Position Administrator	Contact Telephone No. (604)788-5150
Contact Email Address evolvergirl@gmail.com	Web Site Address www.99999site.com	

SCHEDULE A

Five Nines Ventures Ltd.
(An Exploration Stage Company)

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
For the Six Months Ended 31 December 2012

Five Nines Ventures Ltd.
(An Exploration Stage Company)
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at 31 December 2012 $	As at 30 June 2012 $
Assets		
Current		
Cash and cash equivalents	19,101	215,326
Amounts receivable (Note 3)	15,154	16,352
	34,255	231,678
Website development costs (Note 4)	462	753
Exploration and evaluation properties (Note 5)	755,828	552,799
	790,545	785,230
Liabilities		
Current		
Trade payables and accrued liabilities (Note 6)	10,668	36,546
Equity		
Share capital (Note 7)	1,051,723	951,723
Contributed surplus	145,229	145,229
Deficit	(417,075)	(348,268)
	779,877	748,684
	790,545	785,230

Nature of Operations and Going Concern (Note 1) and **Subsequent Events** (Note 14)

Approved and Authorized for Issue by the Board of Directors on 28 February 2013

On behalf of the Board:

"Carman Parente"	Director	*"F. George Orr"*	Director
Carman Parente		F. George Orr	

Five Nines Ventures Ltd.
(An Exploration Stage Company)
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	31 December 2012 $	31 December 2011 $	**31 December 2012 $**	31 December 2011 $
Expenses				
Amortization (Note 4)	**146**	146	**292**	292
Investor relations	**14,500**	-	**28,575**	-
Office and miscellaneous	**15**	72	**341**	372
Professional fees	**17,078**	28,271	**28,738**	53,524
Transfer agent and listing fees	**7,095**	-	**8,595**	-
Travel	**2,266**	-	**2,266**	-
Net loss and comprehensive loss for period	**(41,100)**	(28,489)	**(68,807)**	(54,188)
Loss and comprehensive loss per share, basic and diluted (Note 10)	**(0.003)**	(0.003)	**(0.004)**	(0.006)
Weighted average number of common shares outstanding	**16,246,125**	8,509,168	**16,077,647**	8,509,168

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

Five Nines Ventures Ltd.
(An Exploration Stage Company)
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	31 December 2012	31 December 2011	**31 December 2012**	**31 December 2011**
	$	$	**$**	**$**
Cash flows used in operating activities				
Net (loss) for the period	**(41,100)**	(28,489)	**(68,807)**	(54,188)
Adjustments to reconcile net loss to net cash used by operating activities				
Amortization	**146**	146	**292**	292
Changes in operating assets and liabilities				
Increase (decrease) in trade payables and accrued liabilities	**(22,351)**	(3,665)	**(25,879)**	(10,455)
(Increase) in deferred charges	**-**	(3,000)	**-**	(3,000)
Decrease in prepaid expenses	**-**	4,940	**-**	4,940
(Increase) in amounts receivable	**4,903**	(4,300)	**1,198**	(8,568)
	(58,402)	(34,368)	**(93,196)**	(70,979)
Cash flows used in investing activities				
Exploration and evaluation properties	**(7,879)**	-	**(103,029)**	(19,978)
(Decrease) increase in cash and cash equivalents	**(66,281)**	(34,368)	**(196,225)**	(90,957)
Cash and cash equivalents, beginning of period	**85,382**	24,763	**215,326**	81,352
Cash and cash equivalents, end of period	**19,101**	(9,605)	**19,101**	(9,605)

Supplemental Disclosures with Respect to Cash Flows

Cash paid during the period for interest	-	-	-	-
Cash paid during the period for income taxes	-	-	-	-

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

Five Nines Ventures Ltd.
(An Exploration Stage Company)
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares	Share Capital $	Contributed Surplus $	Deficit $	Total Equity $
Balance at 1 July 2011	8,509,168	274,883	-	(49,549)	225,334
Net loss for the period	-	-	-	(54,188)	(54,188)
Balance at 31 December 2011	8,509,168	274,883	-	(103,737)	171,146
Shares issued for cash (Note 7)	4,000,000	400,000	-	-	400,000
Exploration and evaluation properties (Note 7)	3,000,000	300,000	-	-	300,000
Exercise of stock options (Note 7)	400,000	62,736	(22,736)	-	40,000
Share – based payments	-	-	167,965	-	167,965
Share issue costs	-	(85,896)	-	-	(85,896)
Net loss for period	-	-	-	(244,531)	(244,531)
Balance at 30 June 2012	15,909,168	951,723	145,229	(348,268)	748,684
Exploration and evaluation properties (Note 7)	1,000,000	100,000	-	-	100,000
Net loss for period	-	-	-	(68,807)	(68,807)
Balance at 31 December 2012	16,909,168	1,051,723	145,229	(417,075)	779,877

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

1. Corporate Information

Five Nines Ventures Ltd. (the "Company") was incorporated on 9 November 2010 under the Business Corporations Act of British Columbia. The Company's shares became listed on the Canadian National Stock Exchange (CNSX), under the trading symbol FIV on 16 May 2012. The Company is domiciled in Canada and the registered office is at #106, 1641 Lonsdale Avenue, North Vancouver, B.C., V7M 2T5. Further Company information may be found at the Company web site: www.99999site.com.

The Company is in the business of acquisition, exploration and development of exploration and evaluation properties with a current primary focus on its Serpent River Properties in Ontario, Canada.

For the six months ended 31 December 2012, the Company incurred a net loss of $68,807 (2011 - $54,188). As at 31 December 2012, the Company had cash and cash equivalents of $19,101 (2011 - $5,395), working capital of $23,587 (2011 - $4,421) and a deficit of $417,075 (2011 - $103,737). The Company intends to raise additional capital for the exploration of its Serpent River Property, Serpent River II Property, and for the exploration of other properties not yet acquired through the issuance of equity, debt financing or the selling of working interests.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the Company's exploration and evaluation properties and deferred exploration expenditures and the Company's continued existence is dependent upon the preservation of its interests in the underlying exploration and evaluation properties, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to raise financing and or dispose of its exploration and evaluation properties interests on an advantageous basis.

While the outcome of the Company's fund raising efforts cannot be determined at this time, these financial statements have been prepared in accordance with principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the Company's next fiscal year. Realization values of the Company's interest in its exploration and evaluation properties may be substantially different from the carrying values shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Basis of Preparation

Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. All amounts are presented in Canadian dollars except where otherwise indicated.

(Expressed in Canadian Dollars)

Statement of compliance
The financial statements of the Company, including comparative, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS"), and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accompanying condensed interim financial statements do not include all of the annual financial statement disclosures as required under IFRS and have been prepared under the guidance provided by IAS-34. The unaudited condensed interim financial statements follow the accounting policies and practices consistent with those used in the preparation of the Company's audited annual financial statements for the year ended 30 June 2012 and should be read in conjunction with those statements.

Summary of significant accounting policies
The Company has followed the same accounting policies outlined in the Company's audited annual financial statements in the preparation of the condensed interim financial statements for the six months ended 31 December 2012. For a complete description of these policies please refer to note 3 of the Company's audited annual financial statements. For a listing of accounting standards and interpretations issued but not yet adopted please refer to note 2.3 of the Company's audited annual financial statements.

3. Amounts Receivable

	31 December 2012 $	30 June 2012 $
GST/HST receivable	**15,154**	16,352
Total amounts receivable	**15,154**	16,352

4. Website Development Costs

	Cost $	**Accumulated Amortization** $	**Net Book Value** $
Balance at 30 June 2011	1,750	389	1,361
Additions		608	(608)
Balance at 30 June 2012	1,750	997	753
Additions		291	(291)
Balance at 31 December 2012	1750	1,288	462

(Expressed in Canadian Dollars)

5.

6. Exploration and Evaluation Properties

	Acquisition Cost $	Geophysics and Consulting $	Total $
Serpent River Property			
Balance, 30 June 2011	100,000	45,678	145,678
Additions	300,000	107,121	407,121
Balance, 30 June 2012	400,000	152,799	552,799
Additions	100,000	78,029	178,029
Balance, 31 December 2012	500,000	230,828	730,828
Serpent River II Property			
Balance, 30 June 2012	-	-	-
Additions	25,000	-	25,000
Balance, 31 December 2012	25,000	-	25,000
Balance, 31 December 2012	525,000	230,828	755,828

Serpent River I Property

Effective 10 November 2010, the Company entered into a property option agreement (the "Option Agreement") with Geo Earth Ventures Ltd. ("Geo Earth") to acquire the option (the "Option") to acquire up to 100% interest in 9 claims in the Sault Ste. Marie Mining Division, Ontario (the "Property"), from Geo Earth subject to a 4% net smelter royalty. Geo Earth originally acquired its rights to the Property by way of an underlying option agreement dated 1 November 2010 (the "Underlying Option Agreement"), which it entered into with the underlying owners. Pursuant to the Underlying Option Agreement, in order to maintain the underlying option in good standing, Geo Earth was required to make certain cash payments and issue shares in its capital to the underlying owners plus make expenditures in connection with the Property.

Effective 15 September 2011, the Company entered into an assignment agreement, as amended on 8 November 2011, with Geo Earth and the underlying owners (the "Assignment Agreement"). The Company directly assumed such obligations and is to do the following to fulfill its assumed obligations under the Underlying Option Agreement and keep the underlying option in good standing:

i) Make the following payments and share issuances to the underlying owners:

Date of Payment	Payment in Cash $	Payment in Shares
Within 5 business days of the listing date (issued)	-	1,200,000
On or before 1 December 2012 (issued)	-	100,000
On or before 1 December 2013	80,000	100,000
On or before 1 December 2014	100,000	100,000
Totals:	**180,000**	**1,500,000**

(Expressed in Canadian Dollars)

ii) Make the following work expenditures on the Property:

	$
Within 5 business days of the listing date (incurred)	40,000
Upon completion of Initial Public Offering (incurred)	60,000
On or before 1 December 2012 (incurred)	100,000
On or before 1 December 2013	100,000
On or before 1 December 2014	100,000
Total:	**400,000**

Pursuant to the Option Agreement and in consideration for Geo Earth to grant the Option to the Company, the Company entered into an amended agreement on 15 September 2011, as amended again on 8 November 2011 (the "Amendment Agreement") with Geo Earth amending the Option Agreement dated 10 November 2010, as amended on 15 September 2011. In addition to satisfying the above assumed obligations under the Underlying Option Agreement, the Company agreed to pay additional consideration to Geo Earth to exercise the Option and earn a 100% interest in the Property:

Date of Payment	**Payment in Cash**	**Payment in Shares**
	$	
Upon execution of the Option Agreement (paid)	100,000	-
Within 5 business days of the listing date (issued)	-	900,000
Upon completion of Initial Public Offering (issued)	-	900,000
On or before 1 December 2012 (issued)	-	900,000
On or before 1 December 2013	120,000	900,000
On or before 1 December 2014	130,000	900,000
Totals:	**350,000**	**4,500,000**

The Property is subject to a 3% Net Smelter Return ("NSR") Royalty in favour of the underlying owners and a 1% NSR Royalty in favour of Geo Earth, for a total of 4% NSR Royalty. The Company may at any time, purchase from the underlying owners up to 2% NSR Royalty at a price of $1,000,000 per each 1% NSR Royalty and purchase the 1% NSR Royalty from Geo Earth for $1,000,000.

Commencing on 2 December 2014, and on each consecutive anniversary thereof each year until the Property is placed in commercial production, the Company shall pay to the underlying owners the sum of $25,000 cash or equivalent value in shares, and pay Geo Earth the sum of $25,000 in cash, or the equivalent value in shares, as an advance against the NSR Royalties to be paid on commencement of commercial production.

(Expressed in Canadian Dollars)

Serpent River II Property

On 12 September 2012, the Company entered into a Letter of Intent (“ the Montoro LOI”) with International Montoro Resources Inc. (“IMT”) to acquire, by option, Serpent River II Property, which is adjacent to and annexing the Serpent River I Property located in Elliot Lake, Ontario. The Company will earn a 100% interest in 7 mining claims (87 units), covering approximately 1,392 hectares. The Company will also earn the undivided interest in the Serpent River II Property by providing the following considerations:

i) Pay a total of $500,000 in cash in the following manner:

	Payment in Cash $	Payment in Shares
Upon execution of Letter of Intent (paid)	25,000	-
Upon receipt of regulatory approval of the formal Definitive Agreement	50,000	-
Within five days of the receipt of applicable regulatory and/or Exchange approval of Definitive Agreement	-	500,000
On or before 31 December 2013	50,000	500,000
On or before 31 December 2014	50,000	500,000
On or before 31 December 2015	100,000	500,000
On or before 31 December 2016	100,000	-
On or before 31 December 2017	125,000	-
Total	**500,000**	**2,000,000**

ii) Incur a total of $1,500,000 in exploration expenditures over five years to earn a 100% interest in the Serpent River II Property:

	Exploration Expenditures $	Interest Earned (Cumulative) %
On or before 31, December 2013	200,000	-
On or before 31 December 2014	250,000	30
On or before 31 December 2015	450,000	60
On or before 31 December 2016	300,000	80
On or before 31 December 2017	300,000	100
Total	**1,500,000**	**100**

The Serpent River II Property is subject to a 3% NSR Royalty. The Company may at any time and from time to time and in whole or part purchase the 3% NSR from IMT and the underlying vendors for cash consideration of $1,000,000 for each 1% purchased.

Owing to cash flow issues the Company is currently attempting to re-negotiate the Montoro LOI and the outcome of these negotiations is unknown. Should the Company not complete a financing and or be able to successfully re-negotiate the Montoro LOI it is possible that it may drop the property.

(Expressed in Canadian Dollars)

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year and are composed of the following:

	31 December 2012	30 June 2012
	$	$
Trade payables	**8,168**	23,538
Accrued liabilities	**2,500**	13,008
Total trade payables and accrued liabilities	**10,668**	36,546

7. Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued – 16,909,168 common shares at 31 December 2012 and 15,909,168 common shares 30 June 2012.

Share Issuances

(a) On 10 November 2010, the Company issued 5,019,168 common shares of the Company at $0.02 per common share for cash proceeds of $100,383.

(b) On 30 March 2011, the Company issued 3,490,000 common shares of the Company at $0.05 per common share for total cash proceeds of $174,500.

(c) On 14 May 2012, the Company issued 4,000,000 common shares of the Company pursuant to the terms of a completed Initial Public Offering at $0.10 per common share for gross cash proceeds of $400,000, and incurred share issue costs of $85,896.

(d) On 14 May 2012, the Company issued 3,000,000 common shares of the Company valued at $300,000 pursuant to the property option agreements relating to the Serpent River I Property(Note 5).

(e) On 19 June 2012, 400,000 stock options were exercised at the exercise price of $0.10 per common share by the Broker Agent (Leede Financial Markets Inc.) pursuant to the terms of the Initial Public Offering for cash proceeds of $40,000.

(f) On 5 December 2012, the Company issued 1,000,000 common shares of the Company valued at $100,000 pursuant to the property option agreements relating to the Serpent River I Property (Note 5).

(Expressed in Canadian Dollars)

Shares Held in Escrow

Included in the outstanding shares as at December 31, 2012 are 4,139,376 (June 30, 2012 – 4,967,251) common shares held by the Company's transfer agent pursuant an escrow agreement whereby the shares cannot be traded or transferred until they are released from escrow pursuant to the pre-determined escrow release schedule. Pursuant to the Escrow Agreement, 827,875 common shares were released from escrow on November 15, 2012, with the balance due to be released in increments as to 827,875 common shares every six months thereafter until May 16, 2015 when the balance remaining will be released.

Share Options

Share option transactions as at 31 December, 2012 and 30 June 2012, were as follows:

	Six Months Ended 31 December 2012		Year Ended 30 June 2012	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Outstanding, beginning of period	**2,009,000**	**0.13**	-	-
Granted	-	-	2,409,000	0.12
Exercised	-	-	(400,000)	0.10
Expired	-	-	-	-
Outstanding, end of period	**2,009,000**	**0.13**	2,009,000	0.13

The following table summarizes the outstanding stock options related exercisable price as at 31 December 2012 and 30 June 2012:

Date of Grant	Number of Options	Exercisable	Exercise Price	Expiry Date
14 May 2012	400,000	400,000	$ 0.10	14 May 2017
14 May 2012	600,000	600,000	$ 0.10	14 May 2014
27 June 2012	1,009,000	1,009,000	$ 0.15	27 June 2017
Total	2,009,000	2,009,000		

Warrants

There were no warrants issued or outstanding during the six months ended 31 December 2012 or the year ended 30 June, 2012.

8. Share-Based Compensation

The Company has adopted a stock option plan (the "Plan") available to its officers, directors, employees and consultants which was approved by the board of directors on February 23, 2011. The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the grant date, and (b) the grant date of the stock plan. The options vest immediately and are exercisable at the date of grant.

During the six months ended 31 December, 2012, no stock options were granted.

9. Related Party Transactions

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties.

During the six months ended 31 December 2012 the Company paid and/or accrued office expenses of $314 (2011 - $300) to a director of the Company.

Included in trade payables and accrued liabilities at 31 December 2012 was $1,008 (2011- $728) which was payable and outstanding to two directors of the Company. This balance was non-interest bearing, unsecured and had no fixed terms of repayment.

10. Net Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential number of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options were anti-dilutive for the six month periods ended 31 December 2012 and 31 December 2011.

11. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its exploration and evaluation properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

(Expressed in Canadian Dollars)

12, Financial Instruments

Categories of Financial Instruments

	31 December 2012	30 June 2012
	$	$
Financial Assets		
Cash and cash equivalents	**19,101**	215,326
Total Financial Assets	**19,101**	215,326
Financial Liabilities		
Trade Payables	**7,159**	23,538
Total Financial Liabilities	**7,159**	23,538

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The above table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. For the six month periods ended 31 December, 2012 and 31 December, 2011, the Company does not have any Level 3 financial instruments.

Management of Financial Risks

Credit risk
Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As a result, credit risk is considered insignificant.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. For the six months ended 31 December 2012, the Company had $19,101 (2011 - $5,395) in cash and cash equivalents to settle current liabilities of $10,668 (2011 - $15,184) and, accordingly, liquidity risk is considered insignificant.

Other risks
Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk, currency risk and commodity price risk arising from financial instruments.

13. Commitments

As at 31 December 2012, the Company had the following commitments not otherwise mentioned in these financial statements:

a) The Company has a commitment to pay an investor relations company commencing on 15 May 2012 through to 15 April 2013 as follows:

- $5,000 per month, paid on the first of each month, plus HST for a total compensation over the one year period of $60,000 plus HST. Owing to cash flow issues this was suspended by mutual agreement effective January 1, 2013; and
- An option to acquire up to 250,000 common shares of the Company at a price of $0.10 per common share for a period of two years ending on 1 May 2015 (159,000 stock options granted during the year ended 30 June 2012) (Note 7).

14. Subsequent Events

The following events occurred subsequent to 31 December 2012 as follows:

- On 4 January 2013 the Company granted 100,000 stock options to a consultant pursuant to its stock option plan, exercisable at $0.12 per common share, expiring 4 January 2018.

- In addition, on February 6, 2013, the Company announced two additions to the Board and management. Mr. Dan Patrie, consented to act as a director and Mr. Brent Patrie, joined the company as Manager of Explorations. Effective on the date of appointment to the board of Five Nines, Mr. Dan Patrie, through a private company with directors in common, will become a related party to both the Serpent River I and II Property transactions.

Schedule C

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED DECEMBER 31, 2012

FORWARD-LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise such forward-looking statements, as a result of new information, future events or otherwise.

This MD&A is prepared to conform to the requirements of National Instrument 51-102F1 and has been approved by the Board of Directors prior to release.

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2013

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand Five Nines Ventures Ltd. ("Five Nines" or the "Company") financial statements. The statements are provided for the purpose of reviewing the second quarter of fiscal 2013, as well as the fiscal year ended June 30, 2012, and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited financial statements and corresponding notes for the fiscal year ended June 30, 2012 and for the period from the date of incorporation on November 9, 2010 to June 30, 2011. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variable beyond management control.

The management of Five Nines is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

Five Nines Ventures Ltd. was incorporated under the laws of the Province of British Columbia on November 9, 2010. The Company's head office is located at Unit 106, 1641 Lonsdale Avenue, North Vancouver, BC V7M 2T5. The Company's registered and records office address is located at Suite 900, 850 West Hastings Street, Vancouver, BC V6C 1E1.

OVERALL PERFORMANCE

Five Nines is a Canadian mineral acquisition and exploration company based in Vancouver, British Columbia, Canada. Its common shares are listed on the Canadian National Stock Exchange ("CNSX" or the "Exchange") issued under the symbol "FIV". Five Nines is exploring for commercially exploitable rare earth mineral deposits and is focused currently on a deposit located in Elliot Lake, Ontario, called the Serpent River Property.

Five Nines, as of the date of this MD&A has, completed a portion of the Phase I drilling and exploration program on the Serpent River I Property. On November 14, 2012, the Company announced the assay results from two holes of the Phase I program. The results of the drilling can be found under the Company's profile on www.sedar.com.

On September 12, 2012 the Company entered into a Letter of Intent (the "Montoro LOI") to acquire an additional, adjacent property from International Montoro Resources Inc. ("IMT") - this property is referred to as the Serpent River II Property. Further particulars of the transaction can be found under the section titled, "Proposed Transactions".

MINERAL PROPERTIES

	Acquisition Cost	Geophysics and Consulting	Total
	$	$	$
Serpent River Property			
Balance, 30 June 2011	100,000	45,678	145,678
Additions	300,000	107,121	407,121
Balance, 30 June 2012	400,000	152,799	552,799
Additions	100,000	78,029	178,029
Balance, 31 December 2012	500,000	230,828	730,828
Serpent River II Property[1]			
Balance, 30 June 2012	-	-	-
Additions	25,000	-	25,000
Balance, 31 December 2012	25,000	-	25,000
Balance, 31 December 2012	525,000	230,828	755,828

Note:

1. Please refer to the Section entitled "Proposed Transactions" for further particulars of this proposed acquisition.

Serpent River I Property Agreement(s)

Effective 10 November 2010, the Company entered into a property option agreement (the "Option Agreement") with Geo Earth Ventures Ltd. ("Geo Earth") to acquire the option (the "Option") to acquire up to 100% interest in 9 claims in the Sault Ste. Marie Mining Division, Ontario (the "Property"), from Geo Earth subject to a 4% net smelter royalty. Geo Earth originally acquired its rights to the Property by way of an underlying option agreement dated 1 November 2010 (the "Underlying Option Agreement"), which it entered into with the underlying owners. Pursuant to the Underlying Option Agreement, in order to maintain the underlying option in good standing, Geo Earth was required to make certain cash payments and issue shares in its capital to the underlying owners plus make expenditures in connection with the Property.

Effective 15 September 2011, the Company entered into an assignment agreement, as amended on 8 November 2011, with Geo Earth and the underlying owners (the "Assignment Agreement"). The Company directly assumed such obligations and is to do the following to fulfill its assumed obligations under the Underlying Option Agreement and keep the underlying option in good standing:

i) Make the following payments and share issuances to the underlying owners:

Date of Payment	Payment in Cash $	Payment in Shares
Within 5 business days of the listing date (issued)	-	1,200,000
On or before 1 December 2012 (issued)	-	100,000
On or before 1 December 2013	80,000	100,000
On or before 1 December 2014	100,000	100,000
Totals:	**180,000**	**1,500,000**

ii) Make the following work expenditures on the Property:

	$
Within 5 business days of the listing date (incurred)	40,000
Upon completion of Initial Public Offering (incurred)	60,000
On or before 1 December 2012 (incurred)	100,000
On or before 1 December 2013	100,000
On or before 1 December 2014	100,000
Total:	**400,000**

Pursuant to the Option Agreement and in consideration for Geo Earth to grant the Option to the Company, the Company entered into an amended agreement on 15 September 2011, as amended again on 8 November 2011 (the "Amendment Agreement") with Geo Earth amending the Option Agreement dated 10 November 2010, as amended on 15 September 2011. In addition to satisfying the above assumed obligations under the Underlying Option Agreement, the Company agreed to pay additional consideration to Geo Earth to exercise the Option and earn a 100% interest in the Property:

Date of Payment	**Payment in Cash $**	**Payment in Shares**
Upon execution of the Option Agreement (paid)	100,000	-
Within 5 business days of the listing date (issued)	-	900,000
Upon completion of Initial Public Offering (issued)	-	900,000
On or before 1 December 2012 (issued)	-	900,000
On or before 1 December 2013	120,000	900,000
On or before 1 December 2014	130,000	900,000
Totals:	**350,000**	**4,500,000**

The Property is subject to a 3% Net Smelter Return ("NSR") Royalty in favour of the underlying owners and a 1% NSR Royalty in favour of Geo Earth, for a total of 4% NSR Royalty. The Company may at any time, purchase from the underlying owners up to 2% NSR Royalty at a price of $1,000,000 per each 1% NSR Royalty and purchase the 1% NSR Royalty from Geo Earth for $1,000,000.

Commencing on 2 December 2014, and on each consecutive anniversary thereof each year until the Property is placed in commercial production, the Company shall pay to the underlying owners the sum of $25,000 cash or equivalent value in shares, and pay Geo Earth the sum of $25,000 in cash, or the equivalent value in shares, as an advance against the NSR Royalties to be paid on commencement of commercial production.

RESULTS OF OPERATIONS

The following is an analysis of the Company's operations for the most recently completed quarter ended December 31, 2012.

Mineral Project Expenditures

During the three month period ended December 31, 2012, the Company was inactive in field operations as it awaited results of assays on the drilling of the Serpent River I property. Expenditures for the period amounted to $$7,879 and were incurred to obtain assay results.

During the six month period ended December 31, 2012, the Company incurred a total of $78,029 in field operational expenses which was related to the drilling, assaying and analysis of the Phase I exploration program in 2012 on the Serpent River I property.

Expenditures and activities related to the exploration and drilling of the Serpent River I align with the expected costs to move the project forward. On a cumulative basis, the Company has met its expenditure obligations according to the Serpent River I Property Agreements. The costs and operations undertaken in advancing the first phase of exploration of the Serpent River I have allowed the company to gather data to continue pursuing its planned further exploitation of the property, which in future, may involve further delineation of anomalous mineralized areas through additional drilling, geochemical and geophysical work.

Professional Fees

Professional fees for the three month period ended December 31, 2012 were $17,078 compared to $28,271 for the three month period ended December 31, 2011. The reduction in professional and administration fees for the period December 31, 2012 is reflective of the Company's ability to reduce, and contain, legal and administrative costs in contrast to the previous three month period ended December 31, 2011, which was a time when the Company was in the midst of significant legal and administrative procedures to complete its initial public offering.

Professional fees for the six month period ended December 31, 2012 were $28,738 compared to $53,524 incurred during the six month period ended December 31, 2011. The contrast in professional fee expenditures during these two cumulatively totalled six month fiscal periods is based on the fact that the Company has been keeping costs confined in respect of professional fees in this current year while having to endure higher professional fees in 2011 to complete its initial public offering.

Share-based Compensation

On May 14, 2012, the Company granted 400,000 incentive stock options to the directors and officers exercisable at $0.10 per share for a period of five years from the date of grant. In addition, on June 27, 2012 the Company granted an additional 1,009,000 incentive stock options, to directors, officers and consultants, exercisable at a price of $0.15 per share for a period of five years from the date of grant.

On May 14, 2012, the Company issued 1,000,000 Agent Compensation Options, exercisable at $0.10 per share for a period of two years from the date of grant.

On June 27, 2012, the Company granted an aggregate of 1,009,000 stock options to directors, officers, consultants and investor relations consultants, exercisable at a price of $0.15 per share on or before June 27, 2017.

The Company has a rolling 10% stock-based compensation plan in effect, which provides that up to 10% of the number of shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan vest immediately. There are currently 2,009,000 options outstanding as at December 31, 2012, of which a total of 1,409,000 have been granted to directors, officers, and consultants of the Company, with the remaining 600,000 options comprised of Agent's options eligible for exercise on or before May 14, 2014.

SUMMARY OF QUARTERLY RESULTS

Quarter Ending	12.31.2012 Q2	9.30.2012 Q1	6. 30.2012 Q4	3.31.2012 Q3	12.31.2011 Q2	9.30.2011 Q1	6.30.2011 Q4	3.31.2011 Q3	November 9, 2010 to December 31, 2010
Revenue	--	--	–	–	–	–	–	–	–
Net loss for the period	(41,100)	(27,707)	(230,547)	(13,984)	(28,489)	(25,699)	(20,180)	(15,036)	(14,333)
Basic and diluted loss per share	(0.003)	(0.002)	(0.024)	(0.002)	(0.003)	(O.003)	(0.003)	(0.002)	(0.003)

On a quarter by quarter basis, since inception, the Company has kept focussed on containing costs while remaining focussed on the projects in development. With the exception of the quarter ended June 30, 2012, which was the quarter in which the Company completed payment of the cash portion of the Serpent River I Property acquisition and advanced payment for drilling and exploration, net losses are mainly derived from professional fees and the general costs of overhead and administration of the Company. Wide variances in net losses are typically related to the Company's level of field activity.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2012, the Company had $19,101 in cash compared to $5,395 in cash for the previous period ended December 31, 2011, which was reflective of the fact that the Company had not yet completed its initial public offering at December 31, 2011 and was utilizing cash raised from pre-IPO seed financing.

The Company's working capital position as at December 30, 2012 is $23,587 compared to $4,421 as at December 31, 2011. The differential in amounts, is again, directly related to the fact that the Company was utilizing seed share monies to fund operations during the period ended December 30, 2011.

As the Company does not receive any revenues from any of its operations, cash flows are mainly from the Company's financing activities. The Company has at the date of this MD&A, completed a significant portion of the work program on the Serpent River I Property. The Company has limited funds on hand at the present time to proceed forward with the Serpent River I exploration, but recognizes that should it exercise its options to carry out Phase II of the recommended work program, or formally acquire additional resource assets, such as the Serpent River II Property, it will require additional funding to continue the further development of the entire business enterprise.

Trends

The current market trend for rare earth elements is staying strong as the world continues to see technological evolution. Demands in energy production to maintain balance with an ever expanding population, gives rare earth elements a unique stature. As the future unfolds, it will impel new technology, which management anticipates will drive the need to locate rare earth deposits of economic merit. Having said that, uncertainties still remain in the general financial markets. Management is cognizant of the potential of financial market risk and have considered many strategic options to ward off risk while continuing its focus on developing the potential of the Serpent River Properties. As an example of its intent to mitigate risk, management has not entered into any contractual arrangements for executive compensation, recognizing that strong treasury management will be essential going forward.

TRANSACTIONS WITH RELATED PARTIES

During the period ended December 31, 2012, the Company paid and/or accrued office expenses of $314 to a director of the Company.

Included in trade payable and accrued liabilities at December 31, 2012 was $1,008 (2011 - $728) which was payable and outstanding to two directors of the Company. This balance was non-interest bearing, unsecured and had no fixed terms of repayment.

On February 6, 2013, the Company announced two additions to the Board and management. Mr. Dan Patrie, consented to act as a director and Mr. Brent Patrie, joined the company as Manager of Explorations. As a result of his appointment Mr. Dan Patrie, through a private company, with directors in common, will become a related party to both the Serpent River I and II mineral properties.

PROPOSED TRANSACTION – SERPENT RIVER II PROPERTY

Serpent River II Property

On 12 September 2012, the Company entered into a Letter of Intent with International Montoro Resources Inc. (the "Montoro LOI") to acquire, by option, Serpent River II Property, which is adjacent to and annexing the Serpent River I Property located in Elliot Lake, Ontario. The Company will earn a 100% interest in 7 mining claims (87 units), covering approximately 1,392 hectares. The Company will also earn the undivided interest in the Serpent River II Property by providing the following considerations:

i) Pay a total of $500,000 in cash in the following manner:

	Payment in Cash $	Payment in Shares
Upon execution of Letter of Intent (paid)	25,000	-
Upon receipt of regulatory approval of the formal Definitive Agreement	50,000	-
Within five days of the receipt of applicable regulatory and/or Exchange approval of Definitive Agreement	-	500,000
On or before 31 December 2013	50,000	500,000
On or before 31 December 2014	50,000	500,000
On or before 31 December 2015	100,000	500,000
On or before 31 December 2016	100,000	-
On or before 31 December 2017	125,000	-
Total	**500,000**	**2,000,000**

ii) Incur a total of $1,500,000 in exploration expenditures over five years to earn a 100% interest in the Serpent River II Property:

	Exploration Expenditures $	Interest Earned (Cumulative) %
On or before 31, December 2013	200,000	-

	Exploration Expenditures	Interest Earned (Cumulative)
On or before 31 December 2014	250,000	30
On or before 31 December 2015	450,000	60
On or before 31 December 2016	300,000	80
On or before 31 December 2017	300,000	100
Total	**1,500,000**	**100**

The Serpent River II Property is subject to a 3% NSR Royalty. The Company may at any time and from time to time and in whole or part purchase the 3% NSR from International Montoro Resources Inc. and underlying vendors for cash consideration of $1,000,000 for each 1% purchased.

Owing to cash flow issues the Company is currently attempting to re-negotiate the Montoro LOI and the outcome of these negotiations is unknown. Should the Company not complete a financing and or be able to successfully re-negotiate the Montoro LOI it is expected that it will drop the property.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards.

In connection with Exemption Orders issued in November 2007, by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Company Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Company's Annual and Interim Filings), the Venture Company Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

FINANCIAL AND OTHER INSTRUMENTS

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Other financial liabilities are measured at amortized cost. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of loss and comprehensive loss.

The Company has designated is cash as FVTPL, which is measured at fair value. Trade payables are classified as other financial liabilities which are measured at amortized cost.

RISK FACTORS

1. No Ongoing Operations and No Production History

The Company is a mineral exploration company and has no operations or revenue.

2. Volatility of Share Prices

Share prices are subject to changes because of numerous factors beyond the Company's control, including reports of new information, changes in its financial situation, the sale of its Shares in the market, its failure to achieve financial results in line with the expectations of analysts, or announcements by the Company or any of its competitors concerning results. There is no guarantee that the market price of the Company's Shares will be protected from any such fluctuations in the future.

In the past, companies have experienced volatility in their share value, and have been the subject of securities class action litigation. The Company might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on the Company's business and results of operation.

3. Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Company's Property. There is no assurance that the Company will ever discover any economic quantities of mineral reserves.

4. Requirement For Further Financing

The Company has limited financial resources and may need to raise additional funds to carry out exploration and, if warranted, development of the Property. There is no assurance the Company will be able to raise additional funds on terms acceptable to the Company. The only sources of future funds presently available to the Company are the sale of equity capital, debt, or offering of interests in the Property to be earned by another party or parties. There is no assurance that any such funds will be available to the Company or be available on terms acceptable to the Company. If funds are available, there is no assurance that such funds will be sufficient to for the Company's purposes. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company, and could cause the Company to forfeit its interest in the Property and reduce or terminate its operations.

6. Exploration

At present, there are no bodies of ore, known or inferred, on the Property and there are no known bodies of commercially recoverable ore on the Property. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore on the Property.

7. Development

The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. The Company's Property is at the exploration stage.

8. Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated its title to the Property for which it holds an option to acquire concessions or other mineral leases or licenses and the Company is satisfied with its review of the title to the Property, the Company cannot give an assurance that title to the Property will not be challenged or impugned. The Company does not carry title insurance on the Property. A successful claim that the Company does not have title could cause the Company to lose its rights to the Property, perhaps without compensation for its prior expenditures relating to the Property.

Because the Company’s interest in the Property is by way of an option agreement only: (i) the Company does not own the Property, rather the Company has the right to acquire an interest in the Property by issuing common shares, incurring the expenditures and meeting the certain obligations; (ii) the exploration expenditures under the Option Agreement are optional to the Company, such that if the Company determines the Property to be without sufficient merit at any time prior to exercising its option it is not obligated to incur any further expenditures; (iii) if the Company fails to incur expenditures in accordance with the Option Agreement, it will lose all of its interest in the Property; (iv) the Company is dependent on the Optionor to perform its obligations under the Underlying Option Agreement and if the Optionor fails to perform its obligations thereunder, the Company’s interest in the Property may be lost; there is no guarantee the Company will be able to raise sufficient funding in the future to incur all expenditures under the Option Agreement.

9. Management

The success of the Company is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the service of its management or other qualified personnel required to operate its business.

10. Requirement for Permits and Licenses

The Company will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Property, and the Company believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Company proceed beyond exploration. There can be no guarantee that the Company will be able to obtain such licenses and permits.

11. Environmental Risks and other Regulatory Requirements

The current or future operations of the Company, including the exploration activities and, if warranted, commencement of production on the Property, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Company and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

12. Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against environmental risks.

13. Competition

Significant and increasing competition exists for mineral opportunities in the Province of Ontario or elsewhere in or outside of Canada. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Company. The Company may be unable to acquire additional mineral properties or acquire such properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration programs will yield any reserves or result in any commercial mineral operations.

14. Conflicts of Interest

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act* (British Columbia) and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

15. Litigation

The Company or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Company is not aware of any such pending or actual material legal proceedings as of the date of this Prospectus.

16. No Cash Dividends Are Expected to be Paid in the Foreseeable Future

The Company has not declared any cash dividends to date. The Company intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Company does not anticipate declaring any cash dividends in the foreseeable future.

17. Ore Reserves and Reserve Estimates

The Company’s business relies upon the ability to determine whether a given property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

OUTSTANDING SHARE DATA

As at December 31, 2012, and as at the date of this report, the Company had 16,909,168 common shares outstanding.

Escrow Shares

Included in the outstanding shares as at December 31, 2012 are 4,139,376 (June 30, 2012 – 4,967,251) common shares held by the Company's transfer agent pursuant an escrow agreement whereby the shares cannot be traded or transferred until they are released from escrow pursuant to the pre-determined escrow release schedule. Pursuant to the Escrow Agreement, 827,875 common shares were released from escrow on November 15, 2012, with the balance due to be released in increments as to 827,875 common shares every six months thereafter until May 16, 2015 when the balance remaining will be released.

Options

Options outstanding at December 31, 2012 are detailed in the table below:

Number	Date of Grant	Exercise Price	Expiry Date	Type
400,000	May 14, 2012	$0.10	May 14, 2017	Directors/Officers
600,000	May 14, 2012	$0.10	May 14, 2014	Agent's Options
800,000	June 27, 2012	$0.15	June 27, 2017	Directors/Officers
50,000	June 27, 2012	$0.15	June 27, 2017	Consultant
159,000	June 27, 2012	$0.15	June 27, 2017	Investor Relations
2,009,000				

On January 4, 2013, the Company granted 100,000 stock options to a consultant pursuant to its stock option plan, exercisable at $0.12 per common share, expiring 4 January 2018.

CORPORATE DATA

HEAD OFFICE		REGISTERED AND RECORDS OFFICE
106, 1641 Lonsdale Avenue North Vancouver, BC V7M 2T5		Suite 900, 850 West Hastings Street Vancouver, BC V6C 1E1
REGISTRAR AND TRANSFER AGENT		**AUDITORS**
Valiant Trust Company 600-750 Cambie Street Vancouver, BC V6B 0A2		James Stafford, Chartered Accountants Suite 350 – 1111 Melville Street Vancouver, BC V6E 3V6
DIRECTORS & OFFICERS		**CAPITALIZATION**
Carman Parente, President & CEO, Director		Authorized: Unlimited
F. George Orr, C.A., CFO		Issued: 16,909,168
Terence Schorn, Director		Options: 2,009,000
Paul Robson, Chairman and Director		Fully Diluted: 18,918,168
Dan Patrie, Director		

LISTING
CNSX: FIV CUSIP: CA33830