

Georgetown Capital Corp.

(An exploration stage company)

Consolidated Financial Statements
Years ended June 30, 2012 and 2011

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Georgetown Capital Corp.

We have audited the consolidated financial statements of Georgetown Capital Corp., which comprise the consolidated statements of financial position as at June 30, 2012 and 2011 and July 1, 2010 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows 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 International Financial Reporting Standards, 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

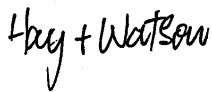
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements, and plan and perform the audits to obtain reasonable 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 for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2012 and 2011 and July 1, 2010, and its financial performance and its cash flows for the years ended June 30, 2012 and 2011 in accordance with International Financial Reporting Standards.



Chartered Accountants
Vancouver, British Columbia
October 18, 2012

GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Consolidated Statements of Financial Position

Expressed in Canadian Dollars

	June 30, 2012	June 30, 2011 (Note 13)	July 1, 2010 (Note 13)
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,547,755	\$ 1,999,882	\$ 496,755
Receivables	37,693	23,442	3,417
Prepaid expenses and deposits	9,779	8,773	2,635
	1,595,227	2,032,097	502,807
Non-current assets:			
Exploration and evaluation assets (note 5)	-	628,730	-
Total assets	\$ 1,595,227	\$ 2,660,827	\$ 502,807
Liabilities			
Current liabilities:			
Trade payables and other (note 8)	\$ 30,279	\$ 198,631	\$ 22,295
Total liabilities	30,279	198,631	22,295
Shareholders' Equity			
Share capital (note 6)	2,768,786	2,768,786	602,509
Equity reserves (note 7)	19,717	19,717	23,768
Accumulated other comprehensive income	(17,866)	(9,037)	-
Accumulated deficit	(1,205,689)	(317,270)	(145,765)
Total shareholders' equity	1,564,948	2,462,196	480,512
Total liabilities and shareholders' equity	\$ 1,595,227	\$ 2,660,827	\$ 502,807

Basis of presentation and adoption of
International Financial Reporting Standards (note 2)

Approved by the Board of Directors on October 18, 2012:

"Ivan Bebek"

Director

"Tony Ricci"

Director

SEE ACCOMPANYING NOTES

GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Consolidated Statements of Loss and Comprehensive Loss
Years ended June 30, 2012 and 2011

Expressed in Canadian Dollars

	2012	2011 (Note 13)
Administration expenses:		
Consulting fees, wages and benefits	\$ 78,447	\$ 42,238
Legal and accounting	30,219	32,979
Office, rent and administration	56,795	41,529
Regulatory, transfer agent and shareholder information	17,316	21,888
Travel, promotion and investor relations	11,925	7,940
	<u>194,702</u>	<u>146,574</u>
Other expenses (income):		
Foreign exchange loss	964	1,750
Interest income	(14,915)	(49)
Project investigation costs	-	23,230
Write-off of exploration and evaluation assets (note 5)	707,668	-
	<u>693,717</u>	<u>24,931</u>
Loss for the year	888,419	171,505
Realization of cumulative foreign currency translation adjustment on write-off of exploration and evaluation assets	27,825	-
Foreign currency translation adjustment	(18,996)	9,037
Comprehensive loss for the year	<u>\$ 897,248</u>	<u>\$ 180,542</u>
Weighted average number of shares outstanding	13,335,605	10,922,878
Loss per share - basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.02)</u>

SEE ACCOMPANYING NOTES

GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Consolidated Statements of Changes in Equity

Expressed in Canadian Dollars

	Issued capital		Equity reserves			Accumulated OCI	Total equity
	Number of shares	Amount	Warrants	Share purchase options	Accumulated Deficit		
June 30, 2010 (Note 13)	9,430,833	\$ 602,509	\$ 4,051	\$ 19,717	\$ (145,765)	\$ -	\$ 480,512
Issued pursuant to a private place at \$0.55 per share	3,752,272	2,058,476	-	-	-	-	2,058,476
Issued pursuant to a resource property option agreement	50,000	93,500	-	-	-	-	93,500
Warrants exercised	102,500	14,301	(4,051)	-	-	-	10,250
Net loss	-	-	-	-	(171,505)	-	(171,505)
Foreign currency translation adjustment	-	-	-	-	-	(9,037)	(9,037)
June 30, 2011 (Note 13)	13,335,605	2,768,786	-	19,717	(317,270)	(9,037)	2,462,196
Net loss	-	-	-	-	(888,419)	-	(888,419)
Realization of cumulative foreign currency translation adjustment on write-off of exploration and evaluation assets	-	-	-	-	-	(27,825)	(27,825)
Foreign currency translation adjustment	-	-	-	-	-	18,996	18,996
June 30, 2012	13,335,605	\$ 2,768,786	\$ -	\$ 19,717	\$ (1,205,689)	\$ (17,866)	\$ 1,564,948

SEE ACCOMPANYING NOTES

GEORGETOWN CAPITAL CORP.

(An exploration stage company)

Consolidated Statements of Cash Flows
Years ended June 30, 2012 and 2011

Expressed in Canadian Dollars

	2012	2011
Operating Activities:		
Loss for period	\$(888,419)	\$(171,505)
Items not involving cash:		
Interest income	(14,915)	(49)
Unrealized foreign exchange (gain) loss	(1,913)	516
Write-off of exploration and evaluation assets (note 4)	707,668	-
Changes in non-cash working capital:		
Prepaid expenses and deposits	(1,006)	(6,138)
Receivables	(190)	(20,024)
Trade payables and other	4,286	3,699
	(194,489)	(193,501)
Investing activities:		
Exploration and evaluation expenditure	(260,405)	(371,630)
Interest received	854	49
	(259,551)	(371,581)
Financing activities:		
Proceeds from issuance of common shares, net of share issuance costs	-	2,068,726
	-	2,068,726
(Decrease) increase in cash and cash equivalents	(454,040)	1,503,644
Impact of foreign exchange on cash and cash equivalents	1,913	(517)
Cash and cash equivalents, beginning of the year	1,999,882	496,755
Cash and cash equivalents, end of the year	\$1,547,755	\$1,999,882
Cash and cash equivalents is comprised of:		
Cash at bank	147,755	1,999,882
Guaranteed investment certificate	1,400,000	-
	\$1,547,755	\$1,999,882

SEE ACCOMPANYING NOTES

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

1. Corporate information

Georgetown Capital Corp. (“Georgetown” or the “Company”) was incorporated on June 9, 2008, under the British Columbia Business Corporations Act. The Company’s principal business activities include the acquisition, exploration and development of resource properties. The Company currently has no mineral property interest. The business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate properties for acquisition or investment and even if so identified and warranted, that it will be able to finance the acquisition or investment. In the event that the Company is not able to identify an appropriate mineral property for acquisition or investment in accordance with the listing requirements of the TSX Venture Exchange (the “Exchange”), there is a risk that the Company, at the discretion of the Exchange, will be transferred to the NEX Board as an inactive company.

The head office and principal address of the Company are located at 1199 Hastings Street, Suite 700, Vancouver, British Columbia, V6E 3T5.

2. Basis of presentation and adoption of IFRS

(a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), effective for the Company’s reporting for the year ended June 30, 2012. These are the Company’s first annual financial statements prepared in accordance with IFRS. Previously, the Company prepared its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”).

Subject to certain transition elections disclosed in note 13, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position as at July 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 13 describes the impact of the transition to IFRS on the Company’s reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in its GAAP consolidated financial statements as at July 1, 2010 and June 30, 2011, and for the year ended June 30, 2012.

The consolidated financial statements were authorized for issue by the Board of Directors on October 18, 2012.

(b) Basis of presentation and consolidation

The financial statements have been prepared on the historical cost basis.

The consolidated financial statements include the accounts of the Company and the following subsidiaries:

Subsidiary name	Jurisdiction	Ownership
Georgetown Alaska Inc.	Alaska, USA	100%

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All significant intercompany amounts and transactions have been eliminated on consolidation.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

2. Basis of presentation and adoption of IFRS (continued)

(b) Basis of presentation and consolidation (continued)

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within the framework of the significant accounting policies summarized in note 3.

(c) Going concern

These financial statements have been prepared on the assumption that the Company will continue to realize its assets and meet its liabilities in the normal course of business as a 'going concern'. The Company has incurred losses since inception, has no source of operating revenue and at June 30, 2012 has net working capital of \$1,564,948 (June 30, 2011 - \$1,833,466).

The Company has been and remains dependent on its capacity to raise funds via equity issuances, under terms that are consistent with the best interests of shareholders, in order to finance its operations. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements contain no provisions for adjustments which may become necessary if the Company becomes unable to continue on a 'going concern' basis. Such adjustments could be material.

3. Summary of significant accounting policies

(a) Foreign currency translation

i. Functional currency

These consolidated financial statements are presented in Canadian dollars, which are the presentation and the functional currency of the Company. The functional currency of its subsidiary is the United States dollar. References to US\$ are to United States dollars.

ii. Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency of the Company at the exchange rate in effect at the date of the transaction. Unsettled monetary assets and liabilities denominated in foreign currencies are translated into the functional currency by using the exchange rate in effect at the statement of financial position date and the related translation differences are recognised in net income (loss).

Non-monetary items of the Company that are measured at historical cost in a foreign currency are translated using the exchange rate in effect as at the dates of the initial transactions and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined and related translation differences are recognized in net income (loss) or other comprehensive income (loss) consistent with where the gain or loss on the underlying non-monetary asset or liability will be recognized.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(a) Foreign currency translation (continued)

iii. Foreign operations

The results of foreign operations are translated to Canadian dollars at an appropriate monthly average rate of exchange during the year and are included in net income or loss. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in other comprehensive income as a foreign currency translation adjustment. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive loss as part of the gain or loss on sale.

(b) Financial instruments

i. Financial assets

The Company's financial assets are comprised of cash and cash equivalents, receivables and investments. All financial assets are initially recorded at fair value plus directly attributable transaction costs and designated upon inception into one of four categories: at fair value through profit or loss, held-to-maturity, available-for-sale, or loans and receivables.

Subsequent to initial recognition, the financial assets are measured in accordance with the following:

- Financial assets classified as fair value through profit or losses are measured at fair value. All gains and losses resulting from changes in their fair value are included in net income (loss) in the period in which they arise.
- Held-to-maturity investments and loans and receivables are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net income (loss), using the effective interest method less any impairment.
- Available-for-sale financial assets are measured at fair value, with unrealized gains and losses recorded in other comprehensive income until the asset is realized, at which time they will be recorded in net income (loss). Other than temporary impairments on available-for-sale financial assets are recorded in net income (loss).
- Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses, with gains and losses recognized in net income or loss in the period that the asset is derecognized or impaired. Short-term investments are classified as loans and receivables.
- Derivatives embedded in other financial instruments or non-financial contracts (the "host instrument") are treated as separate derivatives with fair value changes recognized in the statement of comprehensive income or loss when their economic characteristics and risks are not clearly and closely related to those of the host instrument, and the combined instrument or contract is not held for trading. There were no embedded derivatives identified in a review of the Company's contracts. Free-standing derivatives that meet the definition of an asset or liability are measured at their fair value and reported in the Company's financial statements.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

The Company assesses at each reporting period date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset or the group of financial assets have declined.

ii. Financial liabilities

The Company's financial liabilities are comprised of trade payables and other. All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other liabilities.

Subsequent to initial recognition, the financial liabilities are measured in accordance with the following:

- Financial liabilities classified as other liabilities are initially recognized at fair value net of any transaction costs. After initial recognition, other liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade payables and other are classified as other liabilities. Trade payables amounts are unsecured and are usually paid within 30 days of recognition.
- Financial liabilities classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as fair value through profit or loss are recognized through the statement of comprehensive income or loss. At June 30, 2012 and 2011, and July 1, 2010 the Company did not have any financial liabilities classified as fair value through profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturity dates of less than ninety days or fully redeemable without penalty or loss of interest.

(d) Property, plant and equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses of disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation methods and residual values are reviewed at each financial year-end and adjusted if appropriate.

As at June 30, 2012 and 2011 and July 1, 2010 the Company did not hold any property, plant and equipment.

(e) Exploration and evaluation assets

The Company accounts for exploration and evaluation expenditures costs in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources ("IFRS 6").

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset acquisition. Exploration costs include value-added taxes incurred in foreign jurisdictions when recoverability of these taxes is uncertain. Exploration and evaluation expenditures are capitalized until properties are determined to contain economically recoverable mineral resources, are abandoned or the interest is sold. Option payments received are credited against the capitalized exploration and evaluation expenditures. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received.

Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of comprehensive income or loss. Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable mineral resources.

Exploration and evaluation assets are 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.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, deferred exploration and evaluation expenditures attributable to that area of interest are first tested for impairment and then reclassified to mineral interests and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(f) Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not

(f) Impairment of non-financial assets (continued)

exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(h) Provision for environmental and reclamation costs

Liabilities related to environmental protection and reclamation costs are recognized when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. This includes future site restoration and other costs as required due to environmental law or contracts.

(i) Income recognition

Interest from cash and short-term investments is recorded on an accrual basis when collection is reasonably assured.

(j) Comprehensive (income) loss

Comprehensive income (loss) consists of net loss and other comprehensive income (loss) ("OCI"). OCI represents changes in shareholders' equity during a period arising from transactions and other events with non-owner sources.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(k) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(l) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the relevant period. Diluted earnings (loss) per share is calculated by dividing net income or loss applicable to common shareholders by the weighted average number of diluted common shares outstanding during the year. Diluted common shares reflect the potential dilutive effect of exercising the share purchase options and warrants based on the treasury stock method.

(m) Share-based payments

From time to time, the Company grants share purchase options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where equity-settled share options are awarded to employees the fair value of the options, estimated using the Black-Scholes option-pricing model, at the date of grant is charged to the statement of comprehensive income or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive income or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share based payments are reflected in equity reserves, until exercised. Upon exercise shares are issued from treasury and the amount reflected in equity reserves is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(o) Income taxes

Income tax expense comprises current and deferred tax. Income 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 or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position statement date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(p) Use of judgments and estimates

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next fiscal year. Significant areas requiring the use of management estimates relate to amortization of equipment, the determination of the recoverability of exploration and evaluation assets, the valuation allowance for deferred tax assets, the determination of environmental restoration costs, and the assumptions about the variables used in the calculation of share-based payments and derivative instruments. Management believes the estimates used in these consolidated financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

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Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

3. Summary of significant accounting policies (continued)

(p) Use of judgments and estimates (continued)

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments the expected economic lives of and the estimated future operating results and net cash flows from exploration and evaluation assets and property and equipment.

(q) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. Standards, amendments and interpretations not yet effective

The following is a summary of new standards, amendments and interpretations that have been issued but not yet adopted in these annual consolidated financial statements:

(a) IFRS 9, Financial Instruments (“IFRS 9”)

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company is currently evaluating the impact of IFRS 9 on its financial instruments; however, the impact, if any, is not expected to be significant.

(b) IFRS 7, Financial Instruments: Disclosures (“IFRS 7”) – amendments

In October 2010, the IASB issued amendments to IFRS in respect to the disclosure relating to transfers of financial assets. The amendments require additional disclosure to assist users of financial statements in evaluating the risk exposures in respect to transfers of financial assets that are not derecognized or for which the entity has a continuing involvement. The amendments became effective for annual periods commencing on or after July 1, 2011. The amendments will not impact these consolidated financial statements.

In December 2011, the IASB issued new disclosure requirements for financial assets and liabilities that (1) are offset in the statement of financial position; or (2) subject to master netting agreements or similar arrangements. These new disclosure requirements are effective for annual periods beginning on or after January 1, 2013 and are to be applied retrospectively. The Company is currently evaluating the impact of these new disclosure requirements on its financial statement; however, the impact, if any, is not expected to be significant.

(c) IFRS 10, Consolidated Financial Statements (“IFRS 10”)

IFRS 10 replaces the consolidation requirements in IAS 27, Consolidated and Separate Financial Statements, and Standing Interpretations Committee (“SIC”) Interpretation 12, Consolidation - Special Purpose Entities. IFRS 10 introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee, and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company currently does not anticipate the adoption of IFRS 10 to have a significant impact on its consolidated financial statements.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

4. Standards, amendments and interpretations not yet effective (continued)

(d) IFRS 11, Joint Arrangements (“IFRS 11”)

In May 2011, the IASB issued guidance establishing principles for financial reporting by parties to a joint arrangement. IFRS 11 replaces IAS 31, Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (“joint operators”) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (“joint venturers”) have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venturer recognizes its investment in a joint arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is reviewing the standard to determine the potential impact, if any, on its consolidated financial statements.

(e) IFRS 12, Disclosure of Interests in Other Entities (“IFRS 12”)

IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The disclosure requirements are applicable to all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted. The Company is reviewing the standard to determine the potential impact, if any, on its consolidated financial statements.

(f) IFRS 13, Fair Value Measurement (“IFRS 13”)

In May 2011, the IASB issued guidance establishing a single source for fair value measurement. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another standard requires or permits the item to be measured at fair value, with limited exceptions. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 with early application permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

(g) IAS 12, Deferred Tax: Recovery of Underlying Assets (“IAS 12”)

Amendments to IAS 12 are effective for annual periods beginning on or after January 1, 2012. The Company is in the process of evaluating the impact of the new standard on its financial statements.

(h) IAS 27, Separate Financial Statements (“IAS 27”)

IAS 27 was amended as a consequence of the issuance of IFRS 10, 11 and 12. IAS 27 sets the standards for investments in subsidiaries, jointly controlled entities, and associates when an entity elects, or is required, to present separate non-consolidated financial statements. Amendments to IAS 27 are effective for annual periods beginning on or after January 1, 2013 with early application permitted. The Company is in the process of evaluating the impact of the new standard on its financial statements.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

4. Standards, amendments and interpretations not yet effective (continued)

(i) IAS 28, Investments in Associates and Joint Ventures (“IAS 28”)

IAS 28 was amended as a consequence of the issuance of IFRS 10, 11 and 12. IAS 28 provides additional guidance for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Company when there is joint control or significant influence over an investee. Amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2013 with early application permitted. The Company is in the process of evaluating the impact of the new standard on its financial statements.

(j) IAS 32, Financial Instruments: presentation (“IAS 32”)

In December 2011, the IASB issued amendments to IAS 32. The amendments clarify that an entity currently has a legally enforceable right to set-off financial assets and liabilities if that right is (1) not contingent on a future event; and (2) enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. These amendments are effective for annual periods beginning on or after January 1, 2014 with early application permitted and are to be applied retrospectively. The Company is currently evaluating the impact of the adoption of the amendments on its financial statement; however, the impact, if any, is not expected to be significant.

5. Exploration and evaluation assets

(a) Tanacross mineral property

Effective October 6, 2010, as amended on January 7, 2011 and September 30, 2011, the Company entered into an option agreement with Full Metal Minerals USA Inc., a wholly owned subsidiary of Full Metal Minerals Inc. (“Full Metal”), which granted the Company an exclusive right to acquire a 60% undivided beneficial interest in the Tanacross mineral property in Alaska by fulfilling the following requirements:

Date	Incur cumulative exploration expenditures	Issue common shares	Make cash payments
October 1, 2010	-	-	US\$25,000 (paid)
February 22, 2011	-	50,000 (issued)	US\$25,000 (paid)
January 15, 2012	US\$500,000	150,000	US\$50,000
October 1, 2012	US\$1,000,000	250,000	US\$50,000
October 1, 2013	US\$2,000,000	250,000	US\$50,000
October 1, 2014	US\$4,000,000	-	US\$50,000

The Company could have accelerated the above payments at anytime and thereby exercise the option early. Upon the Company earning 60% interest, the parties were to form a joint venture, which required each party to proportionately contribute to future programs or be diluted to a net profits interest.

Effective January 15, 2012, the Company elected to terminate its option agreement with Full Metal and forfeit its right to earn a 60% interest in the Tanacross property. As a result of the termination, the Company has written-off all costs associated with the Tanacross property, recorded an impairment loss of \$707,668 and recovered \$27,825 in cumulative foreign currency translation adjustments associated with the mineral interest.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

5. Exploration and evaluation assets (continued)

(b) Acquisition, exploration and evaluation expenditures

Resource property	Tanacross
	\$
Acquisition expenditures	
Balance, July 1, 2010	-
Additions	
Cash	125,870
Issue of 50,000 common shares	93,500
Balance, June 30, 2011	219,370
Exploration expenditures	
Balance, July 1, 2010	-
Additions:	
Camp rental	2,922
Drilling and support costs	297,648
Equipment & field supplies	36,039
Geochemical assaying	4,308
Geological consulting	11,216
Salaries & benefits	59,777
Travel & other	3,353
Balance, June 30, 2011	415,263
Cumulative foreign currency translation adjustment	(5,903)
Total acquisition and exploration expenditures, June 30, 2011	628,730
Acquisition expenditures	
Balance, July 1, 2011 and June 30, 2012	219,370
Exploration expenditures	
Balance, July 1, 2011	415,263
Additions:	
Drilling and support costs	1,948
Equipment & field supplies	4,884
Geochemical assaying	12,184
Geological consulting	477
Project supervision	44,728
Salaries & benefits	8,814
Balance, June 30, 2012	488,298
Cumulative foreign currency translation adjustment	27,825
Write-off of acquisition and exploration expenditures	(707,668)
Realization of cumulative foreign currency translation adjustment	(27,825)
Total acquisition and exploration expenditures, June 30, 2012	-

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

6. Share capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

No shares were issued during the year ended June 30, 2012.

Shares issued during the year ended June 30, 2011

On February 22, 2011, 50,000 common shares were issued with a fair value of \$93,500 for payment on the option agreement with Full Metal related to the acquisition of Tanacross mineral property (note 5(a)).

On February 14, 2011 an aggregate of 3,752,272 common shares were issued for gross proceeds of \$2,063,750 on a non-brokered private placement at \$0.55 per share. Share issuance costs that are considered to be incremental and directly attributable costs of \$5,274 were incurred and charged against share capital.

An aggregate of 102,500 common shares were issued for gross proceeds of \$10,250 on exercise of agent warrants. In addition, a reclassification of \$4,051 from equity reserves was recorded on the exercise of these warrants.

Shares issued during the year ended June 30, 2010

On November 9, 2009, an aggregate of 97,500 common shares were issued for gross proceeds of \$9,750 on exercise of agent warrants. In addition, a reclassification of \$3,854 from equity reserves to share capital was recorded on the exercise of these warrants.

On November 2, 2009, the Company closed a non-brokered private placement of 5,333,333 common shares of Georgetown at a per share price of \$0.075 for aggregate proceeds of \$400,000. Shares acquired by the places are subject to a hold period until April 24, 2010. Issuance costs of \$15,261 were incurred and charged against share capital. 1,333,333 of the common shares were placed into escrow.

(c) Escrow shares

As at June 30, 2012, the Company had 3,079,000 (June 30, 2011: 4,618,500) common shares held in escrow pursuant to the requirements of the Exchange and escrow agreements. Pursuant to the escrow agreements, the remaining escrowed shares will be released in semi-annual increments of 15% until February 22, 2014.

For the purposes of loss-per-share calculations, escrowed shares, where the release was subject to completion of the Qualifying Transaction, were excluded from the weighted average number of shares outstanding.

7. Equity reserves

(a) Share-based payments

The Company has adopted a share purchase option plan pursuant to which it may grant options to purchase common shares to directors, officers, employees and other eligible persons. The options will be exercisable at the market price of the common shares on the date they are granted and for a period of up to five years from the date of grant.

No share purchase options were granted, cancelled or forfeited during the year ended June 30, 2012.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

7. Equity reserves (continued)

(a) Share-based payments (continued)

A summary of the share purchase options granted under the Company's option plan during the periods up to June 30, 2012 is presented below:

	Number of shares	Weighted average Exercise price
Balance, June 30, 2009	400,000	\$ 0.10
Granted	-	-
Forfeited	(100,000)	0.10
Balance, June 30, 2010	300,000	0.10
Granted	-	-
Forfeited	(300,000)	0.10
Balance, June 30, 2011 and June 30, 2012	-	-

No share purchase options were outstanding as at June 30, 2012 and June 30, 2011.

(b) Warrants

No warrants were issued, canceled or expired during the year ended June 30, 2012. No warrants were outstanding as at June 30, 2012 and June 30, 2011.

The continuity of share purchase warrants for the year ended June 30, 2011 is as follows:

Exercise price	Expiry date	June 30, 2010	Issued	Exercised	Expired	June 30, 2011
\$ 0.10	October 8, 2010	102,500	-	(102,500)	-	-
		102,500	-	(102,500)	-	-

The continuity of share purchase warrants for the year ended June 30, 2010 is as follows:

Exercise price	Expiry date	June 30, 2009	Issued	Exercised	Expired	June 30, 2010
\$ 0.10	October 8, 2010	200,000	-	(97,500)	-	102,500
		200,000	-	(97,500)	-	102,500

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

8. Related party transactions

	2012	2011
Universal Mineral Services Ltd.	\$ 105,562	\$ 66,024
Nicmar Capital Corp. (formerly Tony Ricci, CA)	42,000	17,500
Full Metal	73,035	558,728

- (a) Universal Mineral Services Ltd. ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on cost recovery basis. The Company also holds a non-voting equity interest in UMS. The outstanding balance owing at June 30, 2012 was \$11,169 (June 30, 2011: \$10,720).
- (b) Nicmar Capital Corp. is a company controlled by an officer of the Company. The outstanding balance owing at June 30, 2012 to this company was \$3,920 (June 30, 2011: \$3,920).
- (c) Full Metal is a company that had a director in common during the year ended June 30, 2012 and is the operator of Tanacross property. The outstanding balance owing at June 30, 2012 was \$nil (June 30, 2011: \$171,133). Effective November 30, 2011, the director in common resigned as a director of Full Metal.

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by the management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement.

Key Management Compensation

	2012	2011
Consulting fees	\$ 42,000	\$ 17,500
Management salaries	\$ 3,900	\$ nil

9. Financial instruments

- (a) Categories of financial instruments

	Category	2012	2011
Financial assets			
Cash and cash equivalents		\$ 1,547,755	\$ 1,999,882
Accounts receivable (excluding value added tax refundable)	Loans and receivables	14,062	-
		\$ 1,561,817	\$ 1,999,882
Financial liabilities			
Trade payables and other	Other liabilities	\$ 30,279	\$ 198,631
		\$ 30,279	\$ 198,631

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

9. Financial instruments (continued)

(b) Fair value of financial instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements 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.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and trade payables and other. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity.

As at June 30, 2012, June 30, 2011 and July 1, 2010, the Company did not have financial instruments measured at fair value.

(c) Financial risk management

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity, or market risks arising from these financial instruments. The risk exposure is summarized as follows:

(i) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at a bank in Canada and accounts receivable. Accounts receivables consist of amounts receivable for HST of \$23,631 and interest receivable of \$14,062 which is not considered past due. The Company considers this risk to be minimal.

(ii) Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at June 30, 2012, the Company had a cash and cash equivalents balance of \$1,547,755 to settle current liabilities of \$30,279 that mainly consist of trade payables that are considered short term and settled within 30 days. The Company did not have any significant commitments as at June 30, 2012, June 30, 2011, and July 1, 2010.

(iii) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at June 30, 2012, the Company held financial assets denominated in the US dollars in the amount of \$77,044 (June 30, 2011 – \$20,476) and financial liabilities of \$nil (June 30, 2011 – \$172,637). As at June 30, 2012, the Company had no hedging agreements in place with respect to foreign exchange rates.

A 10% appreciation or depreciation of the US dollar compared with the Canadian dollar would not have a significant impact on the Company's net asset.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

9. Financial instruments (continued)

(c) Financial risk management (continued)

(iv) Market risk

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

- Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(d) Capital risk management

The Company manages its cash and cash equivalents and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is not subject to externally imposed capital requirements.

10. Segmented information

The Company operates in one operational segment being acquisition, exploration and development of mineral resource properties. The Company did not have any non-current assets at July 1, 2010 and June 30, 2012. All of the Company's non-current assets as at June 30, 2011 were located in the USA

Geographic allocation of loss:

	2012	2011
Canada	\$ 180,751	\$ 171,505
United States	707,668	-

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

11. Supplemental cash flow information

	2012	2011
	\$	\$
Interest paid	-	-
Income tax paid	-	-
Non-cash investing and financing activities:		
Reclassification of equity reserves on exercise of broker warrants (note 6(b))	-	4,051
Shares issued for the acquisition of resource properties	-	93,500
Change in trade payables and other related to exploration and evaluation expenditures	(187,370)	172,637

12. Income taxes

(a) Tax losses

The Company has accumulated non-capital losses of approximately \$575,764 (2011 - \$377,605) in Canada and \$502,090 (2011 - \$407,869) in USA for income tax purposes, which may be carried forward to reduce taxable income of future years. The non-capital losses expire as follows:

	Canada	USA	Total
2029	\$ 80,165	\$ -	\$ 80,165
2030	82,995	-	82,995
2031	214,445	412,936	627,381
2032	198,159	89,154	287,313
	\$ 575,764	\$ 502,090	\$ 1,077,854

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

12. Income taxes (continued)

(b) Income tax recovery provision

A reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is:

	2012	2011
Average statutory tax rate	25.75%	27.50%
Loss before income taxes	\$ (888,419)	\$ (171,505)
Expected income tax recovery	(228,768)	(47,164)
Increase (decrease) in income tax recovery resulting from:		
Effect of change in statutory rates	1,486	7,391
Effect of differences in tax rate in foreign jurisdictions	(53,711)	(10)
Write-off of exploration and evaluation assets	19,545	-
Share issuance costs	-	(22,324)
Foreign exchange and other	5,962	(2,652)
Increase in unrecognized tax assets	255,486	64,759
Income tax recovery	\$ -	\$ -

(c) Deferred tax assets and liabilities

	June 30, 2011	Net income/loss	Equity	June 30, 2012
Cumulative eligible capital	\$ 205	\$ (14)	\$ -	\$ 191
Non-capital losses carried forward	233,079	81,575	-	314,654
Resource properties	-	44,519	-	44,519
Share issuance costs	27,318	-	(9,219)	18,099
Deferred tax assets	260,602	126,080	(9,219)	377,463
Deferred tax liabilities –				
resource properties	\$ (138,628)	\$ 138,628	\$ -	\$ -
Net deferred tax assets	\$ 121,974	\$ 264,708	\$ (9,219)	\$ 377,463
Unrecognized deferred tax assets	\$ (121,974)	\$ (264,708)	\$ 9,219	\$ (377,463)
Net deferred tax balance	\$ -	\$ -	\$ -	\$ -

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

12. Income taxes (continued)

(c) Deferred tax assets and liabilities (continued)

	July 1, 2010	Net income/loss	Equity	June 30, 2011
Cumulative eligible capital	\$ 183	\$ 22	\$ -	\$ 205
Non-capital losses carried forward	40,790	192,289	-	233,079
Share issuance costs	16,242	-	11,076	27,318
Deferred tax assets	\$ 57,215	\$ 192,311	\$ 11,076	\$ 260,602
Deferred tax liabilities	\$ -	\$ (138,628)	\$ -	\$ (138,628)
Net deferred tax assets	\$ 57,215	\$ 53,683	\$ 11,076	\$ 121,974
Unrecognized deferred tax assets	\$ (57,215)	\$ (53,683)	\$ (11,076)	\$ (121,974)
Net deferred tax balance	\$ -	\$ -	\$ -	\$ -

The Company is not recording deferred tax assets as it was determined that under current conditions it is not more likely-than-not that these future tax benefits in Canada and the USA will be realized.

13. First time adoption of IFRS

The accounting policies in note 3 have been applied in preparing the consolidated financial statements as at for the year ended June 30, 2012, the comparative information for the year ended June 30, 2011 and the preparation of an opening IFRS statement of financial position on the Transition Date, July 1, 2010.

The guidance for the first time adoption of IFRS is set out in IFRS 1 – First-time adoption of International Financial Reporting Standards (“IFRS 1”). IFRS 1 provides for certain optional exemptions and mandatory exceptions for first time adopters of IFRS.

The Company elected to take the following IFRS 1 optional exemption:

- Share-based payments - The Company has elected not to retrospectively apply IFRS 2 Share-based payment to equity instruments that were granted and had vested before the Transition Date. All of the Company's equity instruments vested before the Transition Date.

The Company applied the following mandatory exceptions:

- Derecognition of financial instruments - The Company has applied the derecognition requirements in IAS 39 – Financial instruments: Recognition and measurement prospectively from the Transition Date. As a result any non-derivative financial assets and non-derivative financial liabilities derecognized prior to the Transition Date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

- Estimates - The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy.

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

13. First time adoption of IFRS (continued)

In preparing its opening IFRS statement of financial position as at July 1, 2010, the Company was not required to make adjustments to amounts reported previously in financial statements prepared in accordance with pre-changeover Canadian GAAP. The changeover to IFRS also did not have an impact on the Company's statement of cash flows for the year ended June 30, 2011, therefore no reconciliation of the statement of cash flows have been provided.

The Company has prepared a statement of financial position and a statement of loss and comprehensive loss as at and for the year ended June 30, 2011. In doing so, the Company made adjustments to amounts reported previously in financial statements prepared in accordance with pre-changeover Canadian GAAP and has accompanied these adjustments with explanations of how the transition from pre-changeover Canadian GAAP to IFRS has affected these statements.

Reconciliation of Consolidated Statement of Loss and Comprehensive loss Year ended June 30, 2011

	Pre-changeover Canadian GAAP	Effect of transition to IFRS	IFRS
		Sub note a, b	
Administration expenses			
Legal and accounting fees	\$ 32,979	-	\$ 32,979
Office and administration	41,529	-	41,529
Transfer agent and filing fees	21,888	-	21,888
Travel, promotion and investment relations	7,940	-	7,940
Consulting fees, wages & benefits	42,238	-	42,238
	146,574		146,574
Other (income) expenses			
Property investigation costs	23,230	-	23,230
Foreign exchange loss	4,884	(3,134)	1,750
Interest income	(49)	-	(49)
	28,065	(3,134)	24,931
Loss for the year	174,639	(3,134)	171,505
Foreign currency translation adjustment	-	9,037	9,037
Comprehensive loss for the year	\$ 174,639	5,903	\$ 180,542
Weighted average number of common shares outstanding	10,922,878	-	10,922,878
Loss per share - basic and diluted	\$ (0.02)	-	\$ (0.02)

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

13. First time adoption of IFRS (continued)

Reconciliation of Consolidated Statement of Financial Position As at June 30, 2011

	Pre-changeover Canadian GAAP	Effect of transition to IFRS	IFRS
		Sub note a, b	
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,999,882	\$ -	\$ 1,999,882
Receivables	23,442	-	23,442
Prepaid expenses and deposits	8,773	-	8,773
	2,032,097	-	2,032,097
Exploration and evaluation assets	558,728	70,002	628,730
Total assets	2,590,825	70,002	2,660,827
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	198,631	-	198,631
Total liabilities	198,631	-	198,631
Shareholders' equity			
Share capital	2,692,881	75,905	2,768,786
Equity reserves	19,717	-	19,717
Accumulated other comprehensive income	-	(9,037)	(9,037)
Accumulated deficit	(320,404)	3,134	(317,270)
	2,392,194	70,002	2,462,196
	\$ 2,590,825	\$ 70,002	\$ 2,660,827

Georgetown Capital Corp.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended June 30, 2012 and 2011

13. First time adoption of IFRS (continued)

(a) Functional currency and the effect of changes in foreign exchange rates

IFRS requires that the functional currency of each entity of the Company be determined separately. The Company has determined that as at the Transition Date, the Canadian Dollar was the functional currency for Georgetown Capital Corp. and the United States dollar was the functional currency of Georgetown Alaska Inc.

Under pre-changeover Canadian GAAP, the Company's parent company, Georgetown Capital Corp. was deemed to have a measurement currency of the Canadian dollar and each of its subsidiaries were considered to be integrated foreign subsidiaries. Under this accounting policy, monetary assets and liabilities not denominated in Canadian dollars were translated to their Canadian dollar equivalents using foreign exchange rates which prevailed at the date of each balance sheet. Non-monetary items were translated at exchange rates prevailing at the time the assets were acquired or the obligations incurred. Foreign currency denominated expense items were translated at exchange rates prevailing at the transaction date.

Under IFRS, non-monetary assets, liabilities and the equity accounts of Georgetown Alaska Inc. have been recalculated using US dollar based exchange rates prevailing when the assets were acquired, the obligations incurred or the expense incurred. The assets and liabilities were then translated to the Canadian dollar using the exchange rate as at the reporting date. As at July 1, 2011, under pre-changeover Canadian GAAP, the Company had reported net assets of \$2,590,825 and under IFRS, the Company reported a decrease in net assets and exploration and evaluation of expenditures of \$5,903 prior to the effect of any of the other IFRS opening balance sheet adjustments.

(b) Accounting for share issuance costs

Under IFRS the definition of what constitutes a share issuance costs is more restrictive than the definition applied under pre-changeover Canadian GAAP.

Under pre-changeover Canadian GAAP, all costs incurred in connection with the Company's Qualifying Transaction, completed on February 11, 2011, were treated as share issuance costs and recorded as a reduction in the net proceeds received from private placement completed in conjunction with the Qualifying Transaction.

In accordance with *IAS 32 – Financial Instruments: Presentation*, only those costs that are considered to be incremental directly attributable costs incurred in successfully issuing an entity's own equity are accounted for in equity. As such, the costs the Company incurred in connection with its Qualifying Transaction that related to the acquisition and regulatory approval of the Company's qualifying asset, Tanacross, have been reclassified from equity to exploration and evaluation assets. As at June 30, 2011, this resulted in an increase in exploration and evaluation expenditures of \$70,002 and in deficit of \$3,134.