

**ATAC Resources Ltd.**  
**Consolidated Interim Financial Statements**  
**For the three months ended**  
**March 31, 2013**  
**Unaudited – Prepared by Management**

ATAC Resources Ltd.  
#1016 – 510 West Hastings Street  
Vancouver, British Columbia  
V6B 1L8

May 17, 2013

To the Shareholders of  
ATAC Resources Ltd.

The attached consolidated interim financial statements have been prepared by the management of ATAC Resources Ltd. and have not been reviewed by the auditor of the Company.

Yours truly,

Graham Downs  
Chief Executive Officer

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**ATAC Resources Ltd.****Consolidated Interim Statements of Financial Position****Unaudited – Prepared by Management**

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|   | Note | March 31,<br>2013<br>(Unaudited)<br>\$ | December 31,<br>2012<br>(Audited)<br>\$ |
|---|------|--|---|
| <b>Assets</b>                                     |      |  |   |
| <b>Current assets</b>                             |      |  |   |
| Cash and cash equivalents                         | 3    | 26,482,006                             | 14,862,143                              |
| Receivables and prepayments                       | 4    | 213,292                                | 224,665                                 |
| Marketable securities                             | 5    | 169,564                                | 175,428                                 |
|   |      | <b>26,864,862</b>                      | <b>15,262,236</b>                       |
| <b>Non-current assets</b>                         |      |  |   |
| Marketable securities                             | 5    | 1                                      | 1                                       |
| Prepaid exploration deposits                      |      | 41,609                                 | 58,727                                  |
| Mineral property interests                        | 7    | 78,388,647                             | 77,592,779                              |
|   |      | <b>78,430,257</b>                      | <b>77,651,507</b>                       |
| <b>Total assets</b>                               |      | <b>105,295,119</b>                     | <b>92,913,743</b>                       |
| <b>Liabilities and shareholders' equity</b>       |      |  |   |
| <b>Current liabilities</b>                        |      |  |   |
| Accounts payable and accrued liabilities          |      | 9,730                                  | 114,867                                 |
| Accounts payable to related parties               | 10   | 306,077                                | 405,645                                 |
| Due to joint exploration partner                  |      | -                                      | 75,560                                  |
| Flow-through share premium liability              | 14a  | 131,917                                | 210,000                                 |
|   |      | <b>447,724</b>                         | <b>806,072</b>                          |
| <b>Non-current liabilities</b>                    |      |  |   |
| Deferred income tax liability                     | 11   | 10,188,858                             | 10,788,849                              |
| <b>Total liabilities</b>                          |      | <b>10,636,582</b>                      | <b>11,594,921</b>                       |
| <b>Shareholders' equity</b>                       |      |  |   |
| Share capital                                     | 8    | 107,111,298                            | 94,194,018                              |
| Contributed surplus                               | 8    | 15,560,514                             | 24,131,040                              |
| Deficit   |      | (28,013,275)                           | (37,006,236)                            |
| <b>Total shareholders' equity</b>                 |      | <b>94,658,537</b>                      | <b>81,318,822</b>                       |
| <b>Total liabilities and shareholders' equity</b> |      | <b>105,295,119</b>                     | <b>92,913,743</b>                       |

Nature of Operations and Going Concern 1  
Commitments 14

Approved on behalf of the Board of Directors on May 17, 2013:

"Bruce J. Kenway"

Director

"Glenn R. Yeadon"

Director

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

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**ATAC Resources Ltd.****Consolidated Interim Statements of Changes in Shareholders' Equity****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013 and 2012**

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|   | <b>Number<br/>of shares<br/>#</b> | <b>Share<br/>capital<br/>\$</b> | <b>Contributed<br/>surplus<br/>\$</b> | <b>Deficit<br/>\$</b> | <b>Total<br/>shareholders'<br/>equity<br/>\$</b> |
|---|-----------------------------------|---------------------------------|---------------------------------------|-----------------------|--|
| <b>January 1, 2012</b>                        | <b>96,529,036</b>                 | <b>77,048,691</b>               | <b>20,756,645</b>                     | <b>(30,303,821)</b>   | <b>67,501,515</b>                                |
| Share-based payments                          | -                                 | -                               | 4,862,037                             | -                     | 4,862,037  |
| Cancellation of options                       | -                                 | -                               | (497,157)                             | 497,157               | -  |
| Exercise of options                           | 450,000                           | 148,500                         | -                                     | -                     | 148,500  |
| Re-allocated on exercise of options           | -                                 | 115,144                         | (115,144)                             | -                     | -  |
| Exercise of warrants                          | 422,100                           | 844,200                         | -                                     | -                     | 844,200  |
| Re-allocated on exercise of finders' warrants | -                                 | 350,896                         | (350,896)                             | -                     | -  |
| Re-allocated on expiry of finders' warrants   | -                                 | 2,494                           | (2,494)                               | -                     | -  |
| Comprehensive loss for the period             | -                                 | -                               | -                                     | (4,951,443)           | (4,951,443)                                      |
| <b>March 31, 2012</b>                         | <b>97,401,136</b>                 | <b>78,509,925</b>               | <b>24,652,991</b>                     | <b>(34,758,107)</b>   | <b>68,404,809</b>                                |
| <b>January 1, 2013</b>                        | <b>103,553,136</b>                | <b>94,194,018</b>               | <b>24,131,040</b>                     | <b>(37,006,236)</b>   | <b>81,318,822</b>                                |
| Share-based payments                          | -                                 | -                               | 746,222                               | -                     | 746,222  |
| Cancellation of options                       | -                                 | -                               | (9,316,748)                           | 9,316,748             | -  |
| Private placement shares issued               | 9,600,000                         | 12,960,000                      | -                                     | -                     | 12,960,000                                       |
| Share issue costs                             | -                                 | (42,720)                        | -                                     | -                     | (42,720)   |
| Comprehensive loss for the period             | -                                 | -                               | -                                     | (323,787)             | (323,787)  |
| <b>March 31, 2013</b>                         | <b>113,153,136</b>                | <b>107,111,298</b>              | <b>15,560,514</b>                     | <b>(28,013,275)</b>   | <b>94,658,537</b>                                |

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

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**ATAC Resources Ltd.****Consolidated Interim Statements of Comprehensive Loss****Unaudited – Prepared by Management**

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For the three months ended March 31,

|   | Note | 2013<br>\$         | 2012<br>\$         |
|---|------|--------------------|--------------------|
| <b>Expenses</b>   |      |                    |                    |
| Accounting, audit and legal                                 | 10   | 24,568             | 33,834             |
| Consulting fees   | 10   | 47,000             | 43,000             |
| Flow-through taxes  | 14a  | 2,389              | -                  |
| Investor relations  | 10   | 54,858             | 170,948            |
| Office and administration                                   | 10   | 178,104            | 202,428            |
| Share-based payments  | 8    | 746,222            | 4,862,037          |
| <b>Net loss from operating expenses</b>                     |      | <b>(1,053,141)</b> | <b>(5,312,247)</b> |
| Interest income   |      | 53,884             | 69,373             |
| Loss on marketable securities                               | 5    | (20,302)           | (54,317)           |
| Gain on option of mineral property interests                | 7    | 31,938             | 325,000            |
| <b>Loss before income taxes</b>                             |      | <b>(987,621)</b>   | <b>(4,972,191)</b> |
| Deferred income tax recovery                                | 11   | 663,834            | 20,748             |
| <b>Comprehensive loss for the period</b>                    |      | <b>(323,787)</b>   | <b>(4,951,443)</b> |
| <b>Loss per share</b>                                       |      |                    |                    |
| <b>Weighted average number of common shares outstanding</b> |      |                    |                    |
| - basic #   | 9    | 103,553,136        | 96,936,718         |
| - diluted #   | 9    | 103,553,136        | 96,936,718         |
| <b>Basic loss per share \$</b>                              | 9    | <b>(0.00)</b>      | <b>(0.05)</b>      |
| <b>Diluted loss per share \$</b>                            | 9    | <b>(0.00)</b>      | <b>(0.05)</b>      |

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

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**ATAC Resources Ltd.****Consolidated Interim Statements of Cash Flows****Unaudited – Prepared by Management**

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| For the three months ended March 31,                  | Note | 2013<br>\$        | 2012<br>\$  |
|---|------|-------------------|-------------|
| <b>Operating activities</b>                           |      |                   |             |
| Comprehensive loss for the period                     |      | (323,787)         | (4,951,443) |
| Adjustments for:                                      |      |                   |             |
| Gain on option of mineral property interests          |      | (31,938)          | (325,000)   |
| Share-based payments                                  |      | 746,222           | 4,862,037   |
| Loss on marketable securities                         |      | 20,302            | 54,317      |
| Interest income                                       |      | (53,884)          | (69,373)    |
| Deferred income tax recovery                          |      | (663,834)         | (20,748)    |
|   |      | (306,919)         | (450,210)   |
| Net change in non-cash working capital items          | 12   | (10,760)          | 1,799,405   |
|   |      | <b>(317,679)</b>  | 1,349,195   |
| <b>Financing activities</b>                           |      |                   |             |
| Issue of common shares for cash                       |      | 12,960,000        | 992,700     |
| Share issue costs                                     |      | (56,960)          | -           |
|   |      | <b>12,903,040</b> | 992,700     |
| <b>Investing activities</b>                           |      |                   |             |
| Interest received                                     |      | 53,884            | 69,373      |
| Mineral property option proceeds received             |      | 17,500            | 175,000     |
| Mineral property acquisition costs                    |      | (159,781)         | (108,086)   |
| Deferred exploration and evaluation expenditures      |      | (877,101)         | (436,452)   |
|   |      | (965,498)         | (300,165)   |
| <b>Increase in cash and cash equivalents</b>          |      | <b>11,619,863</b> | 2,041,730   |
| <b>Cash and cash equivalents, beginning of period</b> |      | <b>14,862,143</b> | 18,235,574  |
| <b>Cash and cash equivalents, end of period</b>       |      | <b>26,482,006</b> | 20,277,304  |

Supplemental cash flow information

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

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**1. Nature of operations and going concern**

ATAC Resources Ltd. (the "Company" or "ATAC") is incorporated under the laws of the Province of British Columbia, Canada. Head office is located at 1016 - 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. Its main business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The consolidated interim financial statements of the Company as at March 31, 2013 and the three months ended March 31, 2013 and 2012 comprise the Company and its subsidiaries, and the Company's interest in jointly controlled operations and entities over which it has significant influence. Its common shares trade on the TSX Venture Exchange ("TSX-V").

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

The consolidated interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at March 31, 2013, the Company had working capital of \$26,417,138 (December 31, 2012 - \$14,456,164) and shareholders' equity of \$94,658,537 (December 31, 2012 - \$81,318,822). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these consolidated interim financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

**2. Significant accounting policies****(a) Basis of presentation**

The consolidated interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended December 31, 2012, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that the consolidated interim financial statements be read in conjunction with the annual audited financial statements.

These consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies used are those the Company expects to adopt in its consolidated financial statements for the year ended December 31, 2013, and have been applied consistently to all periods presented by the Company and its subsidiaries and associates.

All amounts on the consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**2. Significant accounting policies** (continued)**(b) New standard not yet adopted**

*Effective for annual periods beginning on or after January 1, 2015*

- New standard IFRS 9 *Financial Instruments*

Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement*

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standard, however, there will be enhanced disclosure requirements.

**3. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

|  | <b>March 31,<br/>2013</b> | December 31,<br>2012 |
|--|---------------------------|----------------------|
|  | <b>\$</b>                 | <b>\$</b>            |
| Bank and broker balances                           | 1,449,003                 | 3,536,230            |
| Cashable term deposits and investment certificates | 25,033,003                | 11,325,913           |
|  | <b>26,482,006</b>         | 14,862,143           |

**4. Receivables and prepayments**

Receivables and prepayments consist of the following:

|                       | <b>March 31,<br/>2013</b> | December 31,<br>2012 |
|-----------------------|---------------------------|----------------------|
|                       | <b>\$</b>                 | <b>\$</b>            |
| Sales tax recoverable | 133,652                   | 139,043              |
| Prepaid expenses      | 79,640                    | 85,622               |
|                       | <b>213,292</b>            | 224,665              |



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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**5. Marketable securities**

Marketable securities consist of various common shares received on the option of mineral property interests as follows:

|                          |      | Shares with<br>an active<br>market | Shares without<br>an active<br>market | Total    | Total gain<br>(loss)   |
|--------------------------|------|------------------------------------|---------------------------------------|----------|------------------------|
|                          | 2012 | \$                                 | \$                                    | \$       | \$                     |
| <b><u>Cost</u></b>       |      |                                    |                                       |          |                        |
| January 1, 2012          |      | 466,059                            | 20,000                                | 486,059  |                        |
| Additions                |      | 150,000                            | -                                     | 150,000  |                        |
| Proceeds on sale         |      | -                                  | -                                     | -        |                        |
| Realized gain (loss)     |      | -                                  | -                                     | -        | -                      |
| March 31, 2012           |      | 616,059                            | 20,000                                | 636,059  |                        |
| <b><u>Fair value</u></b> |      |                                    |                                       |          |                        |
| January 1, 2012          |      | 318,505                            | 2                                     | 318,507  |                        |
| Additions                |      | 150,000                            | -                                     | 150,000  |                        |
| Cost of disposals        |      | -                                  | -                                     | -        |                        |
| Unrealized gain (loss)   |      | (54,317)                           | -                                     | (54,317) | (54,317)               |
| March 31, 2012           |      | 414,188                            | 2                                     | 414,190  |                        |
| <b>Total gain (loss)</b> |      |                                    |                                       |          | <b><u>(54,317)</u></b> |
| <b><u>2013</u></b>       |      |                                    |                                       |          |                        |
| <b><u>Cost</u></b>       |      |                                    |                                       |          |                        |
| January 1, 2013          |      | 535,959                            | 10,000                                | 545,959  |                        |
| Additions                |      | 14,438                             | -                                     | 14,438   |                        |
| Proceeds on sale         |      | -                                  | -                                     | -        |                        |
| Realized gain (loss)     |      | -                                  | -                                     | -        | -                      |
| March 31, 2013           |      | 550,397                            | 10,000                                | 560,397  |                        |
| <b><u>Fair value</u></b> |      |                                    |                                       |          |                        |
| January 1, 2013          |      | 175,428                            | 1                                     | 175,429  |                        |
| Additions                |      | 14,438                             | -                                     | 14,438   |                        |
| Cost of disposals        |      | -                                  | -                                     | -        |                        |
| Unrealized gain (loss)   |      | (20,302)                           | -                                     | (20,302) | (20,302)               |
| March 31, 2013           |      | 169,564                            | 1                                     | 169,565  |                        |
| <b>Total gain (loss)</b> |      |                                    |                                       |          | <b><u>(20,302)</u></b> |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**5. Marketable securities (continued)**

The valuation of the shares with an active market has been determined in whole by reference to the bid price of the shares on the TSX-V or Toronto Stock Exchange ("TSX") at each period end date.

The shares without an active market are private company shares received as payment on optioned mineral property interests. The shares were written-down in 2008 to a carrying value of \$1, as no active market existed or exists, and no value can be determined.

**6. Subsidiary information**

On July 14, 2010 two wholly-owned subsidiary companies were incorporated under the laws of the Province of British Columbia, Canada to facilitate the possible transfer to them of certain of the Company's mineral property interests. From incorporation to March 31, 2013, neither of the subsidiaries have had any transactions other than to issue nominal \$1 share capital to the Company.

**7. Mineral property interests**

The Company's mineral property interests consist of various exploration stage properties located in the Yukon Territory, Canada. The properties have been grouped into those which are being sold or optioned to other parties, those which are wholly-owned, and those which are royalty or other interests. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects.

|  | Under<br>option<br>to others | Wholly-<br>owned  | Other<br>interests | Total             |
|--|------------------------------|-------------------|--------------------|-------------------|
|  | \$                           | \$                | \$                 | \$                |
| January 1, 2012                              | -                            | 54,337,190        | 198,944            | 54,536,134        |
| Acquisitions/staking                         | -                            | 108,086           | -                  | 108,086           |
| Exploration and evaluation                   | -                            | 613,289           | 54                 | 613,343           |
| Option proceeds                              | (325,000)                    | -                 | -                  | (325,000)         |
| Proceeds in excess of cost to profit or loss | 325,000                      | -                 | -                  | 325,000           |
| <b>March 31, 2012</b>                        | <b>-</b>                     | <b>55,058,565</b> | <b>198,998</b>     | <b>55,257,563</b> |
| January 1, 2013                              | -                            | 77,525,315        | 67,464             | 77,592,779        |
| Acquisitions/staking                         | -                            | 159,781           | -                  | 159,781           |
| Exploration and evaluation                   | -                            | 636,087           | -                  | 636,087           |
| Option proceeds                              | (31,938)                     | -                 | -                  | (31,938)          |
| Proceeds in excess of cost to profit or loss | 31,938                       | -                 | -                  | 31,938            |
| <b>March 31, 2013</b>                        | <b>-</b>                     | <b>78,321,183</b> | <b>67,464</b>      | <b>78,388,647</b> |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**7. Mineral property interests (continued)**

Changes in the project carrying amounts for the three months ended March 31, 2013 and 2012 are summarized as follows:

|  | <b>Three months ended March 31, 2012</b> |                                   |   |                            |  |                           |
|--|--|-----------------------------------|---|----------------------------|--|---------------------------|
|  | <b>January 1,<br/>2012</b>               | <b>Acquisitions<br/>/ staking</b> | <b>Exploration<br/>and<br/>evaluation</b> | <b>Option<br/>proceeds</b> | <b>Excess<br/>proceeds to<br/>profit or (loss)</b> | <b>March 31,<br/>2012</b> |
|  | <b>\$</b>                                | <b>\$</b>                         | <b>\$</b>                                 | <b>\$</b>                  | <b>\$</b>  | <b>\$</b>                 |
| <b>Projects under option to others</b> |  |                                   |   |                            |  |                           |
| Dawson Gold                            | -  | -                                 | -   | (137,500)                  | 137,500  | -                         |
| Idaho Creek                            | -  | -                                 | -   | (37,500)                   | 37,500   | -                         |
| Panorama                               | -  | -                                 | -   | (150,000)                  | 150,000  | -                         |
| <b>Total</b>                           | <b>-</b>                                 | <b>-</b>                          | <b>-</b>                                  | <b>(325,000)</b>           | <b>325,000</b>                                     | <b>-</b>                  |
| <b>Wholly-owned projects</b>           |  |                                   |   |                            |  |                           |
| Rackla Gold                            | 54,335,093                               | 108,086                           | 613,235                                   | -                          | -  | 55,056,414                |
| Rosy                                   | 2,097                                    | -                                 | 54  | -                          | -  | 2,151                     |
| <b>Total</b>                           | <b>54,337,190</b>                        | <b>108,086</b>                    | <b>613,289</b>                            | <b>-</b>                   | <b>-</b>   | <b>55,058,565</b>         |
| <b>Other interests</b>                 |  |                                   |   |                            |  |                           |
| Connaught                              | 198,944                                  | -                                 | 54  | -                          | -  | 198,998                   |
| <b>Total all projects</b>              | <b>54,536,134</b>                        | <b>108,086</b>                    | <b>613,343</b>                            | <b>(325,000)</b>           | <b>325,000</b>                                     | <b>55,257,563</b>         |

Exploration on the projects consisted of the following:

|  | <b>Rackla<br/>Gold</b> | <b>Others</b> | <b>Total</b>   |
|--|------------------------|---------------|----------------|
|  | <b>\$</b>              | <b>\$</b>     | <b>\$</b>      |
| <b>Three months ended March 31, 2012</b> |                        |               |                |
| <b>Exploration and evaluation costs</b>  |                        |               |                |
| Assays                                   | 16,478                 | -             | 16,478         |
| Drilling                                 | 45,007                 | -             | 45,007         |
| Field                                    | 181,326                | 108           | 181,434        |
| Helicopter and fixed wing                | 10,503                 | -             | 10,503         |
| Labour                                   | 252,013                | -             | 252,013        |
| Surveys                                  | 34,932                 | -             | 34,932         |
| Travel and accommodation                 | 72,976                 | -             | 72,976         |
| <b>Total</b>                             | <b>613,235</b>         | <b>108</b>    | <b>613,343</b> |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**7. Mineral property interests (continued)**

|   | Three months ended March 31, 2013 |                                 |  |                          |   |                         |
|---|-----------------------------------|---------------------------------|--|--------------------------|---|-------------------------|
|   | January 1,<br>2013<br>\$          | Acquisitions<br>/ staking<br>\$ | Exploration<br>and<br>evaluation<br>\$ | Option<br>proceeds<br>\$ | Excess<br>proceeds to<br>profit or (loss)<br>\$ | March 31,<br>2013<br>\$ |
| <b>Project<br/>under option<br/>to others</b> |                                   |                                 |  |                          |   |                         |
| Idaho Creek                                   | -                                 | -                               | -                                      | (31,938)                 | 31,938  | -                       |
| <b>Wholly-owned<br/>projects</b>              |                                   |                                 |  |                          |   |                         |
| Rackla Gold                                   | 77,138,599                        | 159,781                         | 634,544                                | -                        | -   | 77,932,924              |
| Rosy  | 2,151                             | -                               | -                                      | -                        | -   | 2,151                   |
| Connaught                                     | 384,565                           | -                               | 1,543                                  | -                        | -   | 386,108                 |
| <b>Total</b>                                  | <b>77,525,315</b>                 | <b>159,781</b>                  | <b>636,087</b>                         | <b>-</b>                 | <b>-</b>  | <b>78,321,183</b>       |
| <b>Other interests</b>                        |                                   |                                 |  |                          |   |                         |
| Dawson Gold                                   | 67,464                            | -                               | -                                      | -                        | -   | 67,464                  |
| <b>Total all projects</b>                     | <b>77,592,779</b>                 | <b>159,781</b>                  | <b>636,087</b>                         | <b>(31,938)</b>          | <b>31,938</b>                                   | <b>78,388,647</b>       |

Exploration on the projects consisted of the following:

|  | Rackla<br>Gold<br>\$ | Others<br>\$ | Total<br>\$    |
|--|----------------------|--------------|----------------|
| <b>Three months ended March 31, 2013</b> |                      |              |                |
| <b>Exploration and evaluation costs</b>  |                      |              |                |
| Assays                                   | 48,787               | -            | 48,787         |
| Drilling                                 | -                    | -            | -              |
| Field                                    | 121,494              | -            | 121,494        |
| Helicopter and fixed wing                | 29,942               | -            | 29,942         |
| Labour                                   | 315,335              | 1,543        | 316,878        |
| Surveys                                  | 101,925              | -            | 101,925        |
| Travel and accommodation                 | 17,061               | -            | 17,061         |
| <b>Total</b>                             | <b>634,544</b>       | <b>1,543</b> | <b>636,087</b> |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**7. Mineral property interests (continued)****(1) Project under option to other parties****Idaho Creek project**

The Idaho Creek project consists of a 100% interest in the Idaho mineral claims located in the Whitehorse Mining District, Yukon Territory.

Pursuant to a previous option agreement the Company received shares valued at \$132,000.

By Agreement dated January 19, 2010 the Company granted Golden Predator Canada Corp. ("GPCC"), formerly True North Mining Corp., and its parent company Americas Bullion Royalty Corp. ("Americas Bullion") (formerly Golden Predator Corp.), the right to earn a 100% interest in the Company's Idaho project, for consideration of:

- Cash payments totaling \$120,000 as follows:
  - \$7,500 upon regulatory acceptance (received);
  - \$12,500 on or before June 1, 2010 (received);
  - \$15,000 on or before January 19, 2012 (received);
  - \$17,500 on or before January 19, 2013 (received);
  - \$20,000 on or before January 19, 2014;
  - \$22,500 on or before January 19, 2015; and
  - \$25,000 on or before January 19, 2016.
- Issuance to the Company of 150,000 common shares of Americas Bullion capital stock as follows:
  - 15,000 shares upon regulatory acceptance (received at \$0.59 per share);
  - 22,500 shares on or before January 19, 2011 (received at \$0.70 per share);
  - 37,500 shares on or before January 19, 2012 (received at \$0.60 per share);
  - 37,500 shares on or before January 19, 2013 (received at \$0.385 per share); and
  - 37,500 shares on or before January 19, 2014 (with a maximum \$100,000 value).

Should GPCC attain a 100% interest in the project the Company would be entitled to a 2% net smelter return royalty ("NSR") from any commercial production. GPCC would have the right at any time to purchase one-half of the NSR for \$500,000. In addition, upon commencement of any NSR payments, \$100,000 of the above option payments would be considered prepayments.

The project is subject to an area of mutual interest extending one kilometre from the borders of the claims.

**(2) Wholly-owned projects**

The Company's wholly owned projects are comprised of the rights to explore various mineral claims located in the Yukon Territory, which are at various stages of exploration. They are not subject to any option or sale agreements, except as noted above.

**Connaught project**

The Connaught project consists of a 100% interest in the CN and NC mineral claims located in the Dawson Mining District, Yukon Territory. A 50% interest was originally sold to Klondike Silver Corp. ("Klondike") in 2009 for cash and shares totaling \$252,500. Subsequent to the sale, the properties were explored on an equal cost-sharing basis. In 2012 the 50% interest was re-purchased by issuing Klondike 75,000 common shares at \$2.51 per share for total consideration of \$188,250, and the joint exploration agreement was terminated.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**7. Mineral property interests** (continued)  
**(2) Wholly-owned projects** (continued)**Panorama project**

The Panorama project consists of a 100% interest in the Aussie mineral claims located in the Dawson Mining District, Yukon Territory.

By Agreement dated January 19, 2010, the Company granted GPCC and Americas Bullion, the right to earn a 100% interest in the project. Under the Agreement the Company received \$140,000 and 300,000 shares of Americas Bullion with a total fair value on issue of \$188,400.

The Agreement was terminated effective January 3, 2013.

**Rackla Gold project**

The Rackla Gold project consists of a 100% interest in the Rau (ACX, AT, Rau, GF, PH, Q, R, RR, S, and T mineral claims), Jam, Mouse, Sten (Dale, EN, IS, OS, ST, and Sten mineral claims) and Stoked (HO, Rae and Stoked mineral claims) located in the Mayo Mining District, Yukon Territory. An agreement to option 73 of the "T" mineral claims (Rusty property) was terminated effective February 18, 2013. Under the agreement the Company received \$80,000 and 160,000 shares of Silver Predator Corp. with a total fair value on issue of \$85,600.

**Rosy project**

The Rosy project consists of a 100% interest in the Rosy mineral claims located in the Whitehorse Mining District, Yukon Territory. Cash and shares totaling \$167,000 have been received under previous option agreements.

**(3) Other interests****Joint exploration property****Dawson Gold project**

The Dawson Gold project consists of a 50% interest in the DM mineral claims located in the Dawson and Whitehorse Mining Districts, Yukon Territory, and the GG, SH and TL mineral claims located in the Dawson Mining District, Yukon Territory.

The other 50% interest was acquired by Arcus Development Group Inc. ("Arcus") under an option Agreement dated June 9, 2009 and completing on February 21, 2012. Under the Agreement the Company received \$185,000 and 1,000,000 common shares and Arcus completed a \$3,500,000 exploration program.

Effective February 21, 2012 the Company and Arcus agreed to jointly explore the project on a 50/50 basis with Arcus as the Operator. The Company's cumulative share of exploration expenditures total \$67,464. No expenditures have been reported for the three months ended March 31, 2013.

**Royalty interests**

The Company has a 1% NSR on the Golden Revenue, Nit, Nitro, and Seymour properties located in the Whitehorse Mining District, Yukon Territory.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**8. Share capital**

The authorized share capital of the Company consists of unlimited common shares without par value, and unlimited Class "A" preferred shares with a par value of \$1.00 each. All issued shares are fully paid.

**Transactions for the issue of share capital during the three months ended March 31, 2013:**

On March 22, 2013, the Company completed a non-brokered private placement consisting of the issue of 9,600,000 common share units at a price of \$1.35 per unit for gross proceeds of \$12,960,000. Each common share unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$2.10 per share until September 22, 2014. The common share warrants can be called for early exercise should the Company's common shares trade at a weighted average price above \$3.00 for ten consecutive days at any time subsequent to July 23, 2013.

The private placement had no finders' fees. Legal and filing fees amounted to \$56,960 and are shown as a reduction of share capital net of deferred tax benefits of \$14,240.

**Common share rights**

The Company has a "Rights Plan" under which one Right is issued for each issued and outstanding common share of the Company. Each Right entitles the holder to purchase from the Company one common share at a price equal to one-half the market price for each common share of the Company, subject to certain anti-dilution adjustments. The Rights are exercisable only if the Company receives an unacceptable take-over bid as defined in the Rights Agreement. The Rights Plan was extended at the June 2012 annual shareholders' meeting and will remain in effect until the annual shareholders' meeting in 2014. As at March 31, 2013, there were 113,153,136 Rights outstanding (December 31, 2012 – 103,553,136).

**Stock options**

The Company has an incentive stock option plan (the "Plan"), under which the maximum number of stock options issued cannot exceed 10% of the Company's currently issued and outstanding common shares. The exercise period for any options granted under the Plan cannot exceed ten years. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options), unless otherwise agreed by the Company and accepted by the TSX-V.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the Plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is granted an option under the Plan with exercise prices below "Market Price" will become vested with the right to exercise one-sixth of the option upon conclusion of every three months subsequent to the grant date. A participant who is a consultant conducting investor relations activities who is granted options under the Plan will become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**8. Share capital** (continued)**Stock options** (continued)

A summary of the status of the Company's stock options as at March 31, 2013 and December 31, 2012 and changes during the periods then ended is as follows:

|  | <b>Three months ended<br/>March 31, 2013</b> |  | <b>Year ended<br/>December 31, 2012</b> |  |
|--|--|--|---|--|
|  | Options<br>#                                 | Weighted<br>average<br>exercise<br>price<br>\$ | Options<br>#                            | Weighted<br>average<br>exercise<br>price<br>\$ |
| Options outstanding, beginning of period/year  | 7,903,000                                    | 4.12   | 6,085,000                               | 4.27   |
| Granted  | 2,030,000                                    | 1.80   | 2,620,000                               | 2.97   |
| Exercised                                      | -  | -  | (660,000)                               | 0.36   |
| Cancelled                                      | (1,885,000)                                  | 6.97   | (142,000)                               | 7.21   |
| <b>Options outstanding, end of period/year</b> | <b>8,048,000</b>                             | <b>1.98</b>                                    | <b>7,903,000</b>                        | <b>4.12</b>                                    |

As at March 31, 2013, the Company has stock options outstanding and exercisable as follows:

| Options<br>outstanding<br># | Options<br>exercisable<br># | Exercise<br>price<br>\$ | Expiry date       |
|-----------------------------|-----------------------------|-------------------------|-------------------|
| 730,000                     | 730,000                     | 0.25                    | May 1, 2014       |
| 100,000                     | 100,000                     | 0.43                    | June 29, 2014     |
| 1,100,000                   | 1,100,000                   | 1.40                    | January 12, 2015  |
| 100,000                     | 100,000                     | 1.49                    | June 16, 2015     |
| 20,000                      | 20,000                      | 7.00                    | March 11, 2016    |
| 1,375,000                   | 1,375,000                   | 1.80                    | March 11, 2016    |
| 100,000                     | 100,000                     | 2.60                    | January 20, 2017  |
| 2,473,000                   | 2,473,000                   | 3.00                    | March 23, 2017    |
| 20,000                      | 5,000                       | 1.70                    | December 14, 2017 |
| 2,030,000                   | -                           | 1.80                    | January 29, 2018  |
| <b>8,048,000</b>            | <b>6,003,000</b>            |                         |                   |

The following table summarizes information about the stock options outstanding at March 31, 2013:

| Range of<br>prices<br>\$ | Options<br>#     | Weighted average<br>remaining life<br>years | Weighted average<br>exercise price<br>\$ |
|--------------------------|------------------|---|--|
| 0.25 - 0.43              | 830,000          | 1.10  | 0.27                                     |
| 1.40 - 3.00              | 7,198,000        | 3.45  | 2.16                                     |
| 7.00                     | 20,000           | 2.95  | 7.00                                     |
|                          | <b>8,048,000</b> | <b>3.40</b>                                 | <b>1.98</b>                              |



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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**8. Share capital (continued)****Stock options (continued)**

All options granted during the three months ended March 31, 2013 were to Officers, Directors, and related company employees. The Company has recorded the fair value of all options granted during the period using the Black-Scholes option pricing model. Share-based payment costs were calculated using the following weighted average assumptions: expected life of options - five years (2012 - 5 years), stock price volatility – 101.62% (2012 – 104.39%), no dividend yield (2012 – nil), and a risk-free interest rate yield - 1.51% (2012 – 1.59%). The fair value is particularly impacted by the Company's stock price volatility, determined using data from the previous five years. Using the above assumptions the fair value of options granted during the three months ended March 31, 2013 was \$1.30 per option (2012 - \$2.00). The total share-based payment expense for the three months ended March 31, 2013 was \$746,222 (2012 - \$4,862,037), which is presented as an operating expense, and includes only options that vested during the period.

On January 29, 2013, 1,375,000 related company employee and consultant options were modified. The exercise price per option was reduced from \$7.00 each to \$1.80 each, with no change in the March 11, 2016 expiry date. The incremental fair value of the modification, using the Black-Scholes option pricing model, was calculated to be \$709,201 and is included in share-based payment expense and contributed surplus. None of the modified options were owned by Officers or Directors.

On February 1, 2013, 1,750,000 Officer and Director options and 100,000 related company employee options, exercisable at \$7.00 each until March 11, 2016, were surrendered and cancelled. The original fair value of the surrendered options was \$9,954,284 and on vesting was charged to share-based payment expense and credited to contributed surplus. As a result of the cancellations, \$9,179,134 has been removed from contributed surplus and charged to deficit, with the remaining \$775,150 left in contributed surplus representing the incremental fair value of offsetting replacement options. In addition, 35,000 former related company employee options were cancelled, comprised of 15,000 options exercisable at \$3.00 per option and 20,000 exercisable at \$7.00 per option. As a result of the cancellations, \$137,614 has been removed from contributed surplus and charged to deficit.

**Warrants**

As an incentive to complete a private placement the Company may issue units which include common shares and common share purchase warrants. Using the residual value method no value was allocated to warrants attached to the units sold in completed private placements. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the warrants and changes during the three months ended March 31, 2013 and year ended December 31, 2012 is as follows:

|   | <b>Three months ended<br/>March 31, 2013</b> |   | <b>Year ended<br/>December 31, 2012</b> |   |
|---|--|---|---|---|
|   | <b>Warrants<br/>#</b>                        | <b>Weighted<br/>average<br/>exercise price<br/>\$</b> | <b>Warrants<br/>#</b>                   | <b>Weighted<br/>average<br/>exercise price<br/>\$</b> |
| Warrants outstanding, beginning of period/year  | 2,472,500                                    | 4.52  | 630,467                                 | 3.76  |
| Issued on private placement                     | 4,800,000                                    | 2.10  | 2,433,500                               | 4.50  |
| Exercised                                       | -  | -   | (422,100)                               | 2.00  |
| Expired   | (2,433,500)                                  | 4.50  | (169,367)                               | 7.65  |
| <b>Warrants outstanding, end of period/year</b> | <b>4,839,000</b>                             | <b>2.13</b>   | <b>2,472,500</b>                        | <b>4.52</b>   |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**8. Share capital (continued)****Warrants (continued)**

As at March 31, 2013, the Company has outstanding warrants, exercisable as follows:

| Warrants<br>#    | Exercise price<br>\$ | Expiry date        |
|------------------|----------------------|--------------------|
| 39,000           | 6.00                 | November 8, 2013   |
| 4,800,000        | 2.10                 | September 22, 2014 |
| <b>4,839,000</b> |                      |                    |

**Contributed surplus**

Contributed surplus includes the accumulated fair value of stock options recognized as share-based payments and the fair value of finders' warrants issued on private placements. Contributed surplus is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants expire, or are exercised or cancelled. Contributed surplus is comprised of the following:

|  | Options<br>\$     | Finders'<br>Warrants<br>\$ | Total<br>\$       |
|--|-------------------|----------------------------|-------------------|
| January 1, 2012                                  | 19,886,849        | 869,796                    | 20,756,645        |
| Options vesting                                  | 4,862,037         | -                          | 4,862,037         |
| Options/warrants exercised, expired or cancelled | (612,301)         | (353,390)                  | (965,691)         |
| March 31, 2012                                   | 24,136,585        | 516,406                    | 24,652,991        |
| January 1, 2013                                  | 24,131,040        | -                          | 24,131,040        |
| Options vesting                                  | 746,222           | -                          | 746,222           |
| Options cancelled                                | (9,316,748)       | -                          | (9,316,748)       |
| <b>March 31, 2013</b>                            | <b>15,560,514</b> | <b>-</b>                   | <b>15,560,514</b> |

**9. Loss per share**

The calculation of basic loss per share for the three months ended March 31, 2013 was based on the loss attributable to common shareholders of \$323,787 (2012 - \$4,951,443) and a weighted average number of common shares outstanding of 103,553,136 (2012 – 96,936,718).

The calculation of diluted loss per share for the three months ended March 31, 2013 was based on the loss attributable to common shareholders of \$323,787 (2012 - \$4,951,443), and a weighted average number of common shares outstanding (with no adjustment for the dilutive effects of outstanding options and warrants), of 103,553,136 (2012 – 96,936,718).

As at March 31, 2013, 8,048,000 options (2012 – 8,155,000) and 4,839,000 warrants (2012 – 205,367) were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**10. Related party payables and transactions**

A number of key management personnel and Directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to management personnel or Directors, or entities over which they have control or significant influence during the three months ended March 31, 2013 or 2012.

A number of key management personnel and Directors, or their related entities, transacted with the Company in the reporting period. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with non-related entities, on an arm's length basis.

Key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days advance notice. Key management personnel and Directors participate in the Company's stock option plan. During the three months ended March 31, 2013, 1,750,000 stock options (2012 - 1,155,000) were granted to key management personnel and Directors having a fair value on issue of \$2,318,268 (2012 - \$2,310,000). The new options are exercisable at \$1.80 each until January 29, 2018 and vest over a one year period ending January 29, 2014. The Officers and Directors subsequently surrendered 1,750,000 of their prior year options that were exercisable at \$7.00 each until March 11, 2016. These options were fully vested and had a fair value of \$9,416,212 when granted and are now reversed (see note 8).

The following are the Company's related parties:

- (a) Archer, Cathro & Associates (1981) Limited ("Archer Cathro") is a geological consulting firm that is a related party through its management contracts, which confer significant influence over operations. Charges are for property location, acquisition, exploration, management, and office rent and administration. The charges by Archer Cathro also include the services of Graham Downs, who is the Company's CEO, Robert Carne, who is the Company's President, and, prior to April 1, 2012, Ian Talbot, who is the Company's COO. Effective April 1, 2012 the services of Ian Talbot are paid directly to him under a management agreement.
- (b) Glenn Yeadon is a Director and the Company's Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp.") which provides the Company with legal services.
- (c) Larry Donaldson is the Company's CFO. He is a partner of Donaldson Grassi, Chartered Accountants, a firm in which he has significant influence. Donaldson Grassi provides the Company with accounting and tax services.
- (d) Douglas Goss is a Director and the Company's Chairman of the Board. He controls Douglas O. Goss Professional Corporation ("D. Goss Corporation") which provides consulting services to the Company.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**10. Related party payables and transactions (continued)**

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

|                           | <b>Transactions<br/>3 months ended<br/>March 31,<br/>2013<br/>\$</b> | <b>Transactions<br/>3 months ended<br/>March 31,<br/>2012<br/>\$</b> | <b>Balances<br/>outstanding<br/>March 31,<br/>2013<br/>\$</b> | <b>Balances<br/>outstanding<br/>December 31,<br/>2012<br/>\$</b> |
|---------------------------|--|--|---|--|
| Archer, Cathro            |  |  |   |  |
| - geological services     | 343,819  | 280,040  | 156,788   | 293,734  |
| - rent and administration | 130,376  | 152,327  | 92,319  | 72,708   |
| Yeadon Law Corp.          | 31,748   | 15,564   | 35,450  | 21,773   |
| Donaldson Grassi          | 13,250   | 12,325   | 12,000  | 14,000   |
| D. Goss Corporation       | 15,000   | 7,500  | 5,600   | -  |
| Ian Talbot                | 8,859  | -  | 3,920   | 3,430  |
|                           | <b>543,052</b>   | <b>467,756</b>   | <b>306,077</b>  | <b>405,645</b>   |

All related party balances are unsecured and are due within thirty days without interest.

**11. Income taxes**

Income tax recovery for the three months ended March 31, 2013 and 2012 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

|   | <b>March 31,<br/>2013<br/>\$</b> | <b>March 31,<br/>2012<br/>\$</b> |
|---|----------------------------------|----------------------------------|
| Loss before income taxes                            | (987,621)                        | (4,972,191)                      |
| Statutory Canadian corporate tax rate               | 25.0%                            | 25.0%                            |
| Anticipated income tax recovery                     | 246,906                          | 1,243,048                        |
| Change in tax resulting from:                       |                                  |                                  |
| Unrecognized items for tax purposes                 | (189,093)                        | (1,222,300)                      |
| Tax benefits recognized on investment tax credits   | 718,499                          | -                                |
| Tax benefits renounced on flow-through expenditures | (112,478)                        | -                                |
| <b>Net deferred income tax recovery</b>             | <b>663,834</b>                   | <b>20,748</b>                    |

The significant components of the Company's deferred income tax liability are as follows:

|  | <b>March 31,<br/>2013<br/>\$</b> | <b>December 31,<br/>2012<br/>\$</b> |
|--|----------------------------------|-------------------------------------|
| Unrealized losses on marketable securities | 48,854                           | 46,316                              |
| Mineral property interests                 | (12,995,489)                     | (12,796,887)                        |
| Unclaimed investment tax credits           | 718,499                          | -                                   |
| Non-capital loss carry forwards            | 1,468,178                        | 1,352,017                           |
| Capital loss carry forwards                | 37,873                           | 37,873                              |
| Share issue costs                          | 533,227                          | 571,832                             |
| <b>Net deferred income tax liability</b>   | <b>(10,188,858)</b>              | <b>(10,788,849)</b>                 |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**11. Income taxes (continued)**

As at March 31, 2013 the Company has non-capital loss carry forwards of approximately \$5,873,000, of which \$99,000 will expire in 2014, \$65,000 in 2015, \$7,000 in 2028, \$471,000 in 2029, \$1,175,000 in 2030, and \$4,056,000 thereafter.

As at March 31, 2013 the Company has unused capital losses of \$302,987 which have no expiry date and can only be used to reduce future income from capital gains.

As at March 31, 2013 the Company has unclaimed resource and other deductions in the amount of \$26,406,690 (December 31, 2012 - \$26,405,232), which may be deducted against future taxable income.

At March 31, 2013 there are share issue costs totaling \$2,132,908 (December 31, 2012 - \$2,287,325), which have not been claimed for income tax purposes.

As at March 31, 2013 the Company has unused investment tax credits totaling \$957,999, (December 31, 2012 - \$nil), which have not been claimed for income tax purposes. The tax credits will expire in 2032.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

**12. Supplemental cash flow information**

Changes in non-cash operating working capital during the three months ended March 31, 2013 and 2012 were comprised of the following:

|  | <b>March 31,<br/>2013</b> | March 31,<br>2012 |
|--|---------------------------|-------------------|
|  | <b>\$</b>                 | \$                |
| Receivables and prepayments              | 11,373                    | 1,763,542         |
| Accounts payable and accrued liabilities | (51,415)                  | (57,537)          |
| Accounts payable to related parties      | 29,282                    | 93,400            |
| Net change                               | <b>(10,760)</b>           | 1,799,405         |

The Company incurred non-cash investing activities during the three months ended March 31, 2013 and 2012 as follows:

|   | <b>March 31,<br/>2013</b> | <b>March 31,<br/>2012</b> |
|---|---------------------------|---------------------------|
|   | <b>\$</b>                 | \$                        |
| Non-cash investing activities:  |                           |                           |
| Marketable securities acquired on optioned mineral property interests                     | (14,438)                  | (150,000)                 |
| Mineral property option proceeds received by marketable securities                        | 14,438                    | 150,000                   |
| Deferred exploration expenditures included in accounts payable and related party payables | 115,893                   | 50,253                    |
|   | <b>115,893</b>            | 50,253                    |

During the three months ended March 31, 2013 and 2012 no amounts were paid for interest or income tax expenses.

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**13. Financial risk management****Capital management**

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at March 31, 2013 is comprised of shareholders' equity of \$94,658,537 (December 31, 2012 - \$81,318,822).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

**Financial instruments - fair value**

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts payable and accrued liabilities, and accounts payable to related parties.

The carrying value of accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                           | Level 1    | Level 2 | Level 3 | Total      |
|---------------------------|------------|---------|---------|------------|
|                           | \$         | \$      | \$      | \$         |
| <b>March 31, 2013</b>     |            |         |         |            |
| Cash and cash equivalents | 26,482,006 | -       | -       | 26,482,006 |
| Marketable securities     | 169,564    | -       | 1       | 169,565    |
|                           | 26,651,570 | -       | 1       | 26,651,571 |
| <b>December 31, 2012</b>  |            |         |         |            |
| Cash and cash equivalents | 14,862,143 | -       | -       | 14,862,143 |
| Marketable securities     | 175,428    | -       | 1       | 175,429    |
|                           | 15,037,571 | -       | 1       | 15,037,572 |

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**ATAC Resources Ltd.****Notes to the Consolidated Interim Financial Statements****Unaudited – Prepared by Management**

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**For the three months ended March 31, 2013**

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**13. Financial risk management (continued)****Financial instruments - risk**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

**(a) Credit risk**

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments.

**(b) Interest rate risk**

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash equivalents. For the three months ended March 31, 2013 every 1% fluctuation in interest rates up or down would have impacted loss for the period, up or down, by approximately \$58,500 (2012 - \$47,500) before income taxes.

**(c) Market risk**

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities and other company investments. The Company has no control over these fluctuations and does not hedge its investments. Based on the March 31, 2013 portfolio values every 10% increase or decrease in the share prices of these companies would have impacted loss for the period, up or down, by approximately \$17,000 (2012 - \$41,000) before income taxes.

**(d) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

**14. Commitments****(a) Flow-through shares**

In November 2012 the Company received \$2,050,000 from a private placement of flow-through shares. A flow-through share premium liability of \$210,000 was recorded on the issue. The funds are required to be spent on qualified exploration programs no later than December 31, 2013. The Company renounced the expenditures to the flow-through shareholders in February 2013 using the look-back rules allowed by Canadian tax authorities. On renouncement the Company gives up its rights to available income tax benefits. As at March 31, 2013 approximately \$762,000 of the flow-through funds had been spent and a deferred income tax liability of \$190,560 has been recorded to reflect the loss of the tax benefits. As a result, the flow-through share premium liability has been reduced by \$78,083 and deferred income tax expense increased by \$112,477. Under the look-back rules, effective from March 1, 2013, any unspent flow-through funds are charged a floating rate interest tax, which is currently set at 1% per annum. As at March 31, 2013, the Company had approximately \$1,288,000 in unspent flow-through funds. An accrual of \$2,389 has been recorded to reflect the first quarter flow-through tax on the unspent funds.

**(b) Cooperation agreement**

Effective August 17, 2010 the Company entered into a three-year renewable exploration cooperation agreement with the Yukon First Nation of Na-Cho Nyak Dun ("NND"). The agreement pertains to the Company's Rackla Gold project exploration activities under which the NND and the Company agree to cooperate with each other to ensure that the on-going exploration of the property is conducted in a mutually beneficial manner. The Company has agreed to pay the NND an annual contribution fee of \$100,000 to assist them in reviewing and monitoring the exploration activities. The payments are included in the Rackla Gold project costs. Payments are due on the first of April each year. The current year payment was made on March 12, 2013.