Audited Financial Statements of

DOT RESOURCES LTD.

Years Ended December 31, 2012 and 2011

MANAGEMENT'S REPORT

The accompanying financial statements and all information in the annual report are the responsibility of management.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Other financial information appearing throughout the report is presented on a basis consistent with the financial statements.

DOT Resources Ltd. has established procedures and systems of internal control designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is produced in a timely manner.

The Audit Committee of the Board of Directors has reviewed these financial statements with management and the independent auditors and reports its findings to the Board of Directors before such statements are approved by the Board of Directors.

The financial statements have been audited by KPMG LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. KPMG LLP have full and free access to the Audit Committee. The Audit Committee is responsible for determining their reappointment and the setting of their fees.

April 26, 2013

(Signed) "John J. Komarnicki"
Chairman of the Board and Chief Executive Officer

(Signed) "Donald D. McKechnie"
Vice-President Finance and Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of DOT Resources Ltd.

We have audited the accompanying financial statements of DOT Resources Ltd., which comprise the statements of financial position as at December 31, 2012 and December 31, 2011, the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 in our audits 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 DOT Resources Ltd. as at December 31, 2012 and December 31, 2011, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards**.**

Emphasis of matter

Without modifying our opinion, we draw attention to note 1(b) in the financial statements which indicates that DOT Resources Ltd. has insufficient cash resources and liquidity to operate as a going concern in the near term. This condition, along with other matters as set forth in note 1(b) in the financial statements, indicates the existence of a material uncertainty that may cast significant doubt about DOT Resources Ltd.'s ability to continue as a going concern.

(Signed) "KPMG LLP"
Chartered Accountants

April 26, 2013
Calgary, Canada

DOT RESOURCES LTD.

Statements of Financial Position

As at	Note	December 31, 2012	December 31, 2011
Assets			
Current assets:			
Cash and cash equivalents	5	$ 43	$ 6,464
Trade and other receivables	6	1,022	270
Total current assets		1,065	6,734
Non-current assets:			
Intangible assets	7	3,525,723	3,521,320
Total non-current assets		3,525,723	3,521,320
Total assets		$ 3,526,788	$ 3,528,054
Liabilities and equity			
Current liabilities:			
Loan from Alhambra Resources Ltd.	11(b)	$ 406,200	$ 400,000
Trade and other payables	8	488,573	428,593
Total current liabilities		894,773	828,593
Total liabilities		894,773	828,593
Equity:			
Share capital	10	2,919,231	2,919,231
Warrants	10	–	–
Contributed surplus	10	1,100,131	1,098,541
Deficit		(1,387,347)	(1,318,311)
Total equity		2,632,015	2,699,461
Total liabilities and equity		$ 3,526,788	$ 3,528,054

Reporting entity, nature of operations and going concern (note 1)

See accompanying notes to financial statements.

APPROVED ON BEHALF OF THE BOARD:

(Signed) John J. Komarnicki, Director

(Signed) Gordon L. Levang, Director

DOT RESOURCES LTD.

Statements of Loss and Comprehensive Loss

	Note	Year Ended December 31, 2012	Year Ended December 31, 2011
Expenses:			
Administrative expenses	4	$ 69,036	$ 70,740
Net loss and comprehensive loss		$ (69,036)	$ (70,740)
Per share:			
Net loss per share, basic and diluted	12	$ (0.00)	$ (0.00)

See accompanying notes to financial statements.

DOT RESOURCES LTD.

Statements of Changes in Equity

	Share Capital	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2010	$ 2,919,231	$ 338,537	$ 751,995	$ (1,247,571)	$ 2,762,192
Share-based payments expense	–	–	8,009	–	8,009
Expiration of Warrants	–	(338,537)	338,537	–	–
Net loss and comprehensive loss	–	–	–	(70,740)	(70,740)
Balance, December 31, 2011	2,919,231	–	1,098,541	(1,318,311)	2,699,461
Share-based payments expense	–	–	1,590	–	1,590
Net loss and comprehensive loss	–	–	–	(69,036)	(69,036)
Balance, December 31, 2012	$ 2,919,231	$ –	$ 1,100,131	$ (1,387,347)	$ 2,632,015

See accompanying notes to financial statements.

DOT RESOURCES LTD.

Statements of Cash Flows

	Year Ended December 31, 2012	Year Ended December 31, 2011
Cash provided by (used in):		
Operating activities:		
Net loss	$ (69,036)	$ (70,740)
Items not involving cash:		
Share-based payments	1,590	8,009
	(67,446)	(62,731)
Change in trade and other receivables	(752)	3,832
Change in trade and other payables	55,244	34,621
Net cash flow from operating activities	(12,954)	(24,278)
Financing activities:		
Loan from Alhambra Resources Ltd.	6,200	–
Net cash flow from financing activities	6,200	–
Investing activities:		
Intangible assets	(4,403)	(5,079)
Change in non-cash working capital	4,736	(11,268)
Net cash flow from investing activities	333	(16,347)
Change in cash and cash equivalents	(6,421)	(40,625)
Cash and cash equivalents, beginning of period	6,464	47,089
Cash and cash equivalents, end of period	$ 43	$ 6,464

See accompanying notes to financial statements.

1. Reporting entity, nature of operations and going concern:

(a) Reporting entity and nature of operation:

DOT Resources Ltd. (the "Corporation" or "DOT") was incorporated on May 17, 2007 under the Business Corporations Act (Alberta). The Corporation's common shares trade in Canada on the TSX Venture Exchange Inc. under the symbol DOT.V.

The Corporation's registered address, head office and records office are located at Suite 3, 4015 – 1st Street S.E. Calgary, Alberta, Canada T2G 4X7.

The business of DOT consists of the exploration, evaluation and development of its properties. The Corporation is in the process of exploring its properties and has not yet determined whether these properties contain reserves that are economically recoverable.

(b) Going concern:

For the year ended December 31, 2012, the Corporation incurred a net loss of $69,036, had a working capital deficiency of $893,708 at December 31, 2012 and had an accumulated deficit to December 31, 2012 of $1,387,347. DOT currently has no sources of revenue therefore its ability to continue to meet its obligations, conduct exploration activities and continue as a going concern is dependent upon DOT's ability to raise additional capital to fund exploration activities and meet its obligations as well as its ability to develop economically recoverable reserves. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

There is no assurance at this time that the Corporation will be able to obtain the necessary financing nor is there assurance that if financing is obtained, that DOT will be able to find economically recoverable reserves. If DOT is unable to obtain suitable financing in the near future, it will be necessary for the Corporation to examine other strategic alternatives to continue operations and enhance shareholder value, including but not limited to, seeking creditor protection, seeking a joint venture partner, the possible sale of some or all of the Corporation's assets or the merger, amalgamation or sale of the Corporation with or to a larger, better financed entity.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then material adjustments would be necessary to the carrying amounts of the assets and liabilities, the reported expenses and the balance sheet classifications used.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors on April 26, 2013.

(b) Basis of measurement:

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

(c) Use of estimates and judgments:

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

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

(i) Critical judgments in applying accounting policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

The application of the Corporation's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found.

(ii) Key sources of estimation uncertainty

Information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 7 – valuation of intangible assets;

Note 10 – measurement of share-based payments; and

3. Significant accounting policies:

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

(a) Financial instruments:

(i) Non-derivative financial assets:

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

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

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

The Corporation may have the following non-derivative financial assets: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss:

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

Held-to-maturity financial assets:

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

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and Receivables:

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

Available-for-sale financial assets:

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

(ii) Non-derivative financial liabilities:

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

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

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

The Corporation has the following non-derivative financial liabilities: loans from Alhambra Resources Ltd. ("Alhambra"), provisions and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through Shares

The Corporation finances a portion of its exploration and development activities through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes related to exploratory development activities are renounced to investors in accordance with tax legislation.

Flow-through shares issued are recorded in share capital at the fair value of common shares on the date of issue. The premium received on issuing flow-through shares is initially recorded as a premium obligation. As qualifying expenditures are incurred, the premium is reversed and a deferred income tax liability is recorded. The net amount is then recognized as deferred income tax expense.

Preferred shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Corporation's shareholders.

(iv) Warrants:

Warrants are classified as equity. The fair value of warrants issued is measured indirectly by reference to the equity instruments granted.

(b) Share-based payments:

The Corporation has a share-based payment plan for employees and non-employees as described in note 10(d).

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. In determining the fair value of the share options granted, the Black-Scholes model is used and assumptions are made regarding interest rates, underlying volatility of the Corporation's shares and expected life of the options. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service vesting conditions are met, such that the amount ultimately recognized as an expense is based on the number of awards that actually vest.

Share-based payments to non-employees are accounted for by measuring the fair value of goods or services received directly on the date the Corporation receives the goods or services if the fair value of the goods and services can be reliably measured.

(c) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs not directly attributable to a qualifying asset are expensed in the period incurred.

(d) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Earnings (loss) per share:

The Corporation presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants, broker options and share options granted to employees and non-employees.

(f) Property, plant and equipment:

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after January 1, 2010.

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

Exploration and evaluation expenditures:

Pre-license costs are recognized in the statement of operations as incurred.

Exploration and evaluation costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. The costs are accumulated in cost centers by field or exploration area pending determination of technical feasibility and commercial viability.

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. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs).

Exploration and evaluation expenditures related to areas of interest are capitalized and carried forward to the extent that:

(i) Rights to tenure of the area of interest are current; and

(ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the areas are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets are first tested for impairment and any impairment loss is recognized, then reclassified to mineral properties within property plant and equipment. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and probable reserves are determined to exist. The Corporation reviews and evaluates its mining properties for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of exploration results, anticipated future mineral prices, anticipated costs of developing and operating a producing mine and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties. However, properties which have not demonstrated positive exploration results at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and that carrying amounts are appropriate.

Depreciation on equipment utilized in the exploration and evaluation of mineral properties is capitalized to exploration and evaluation costs until such time as these properties commence commercial production. Administrative overhead costs are expensed as incurred. Revenues from the sale of minerals are credited to exploration and development costs until such time as these properties are considered to have commenced commercial production.

The amount shown for exploration costs includes the direct costs of acquiring, maintaining, exploring properties, an allocation of management fees and salaries based on time spent and other costs directly related to specific properties. Mineral asset development and production assets are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGU's for impairment testing.

(ii) Subsequent costs:

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized only when it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other expenditures, such as the costs of the day-to-day servicing of property, plant and equipment, are recognized in profit or loss as incurred.

Capitalized mineral assets represent costs incurred in developing proved and/or probable reserves and are accumulated on a field area basis.

(iii) Depreciation:

Once a mineral property reaches commercial production, the accumulated costs of exploration and development costs related to that mineral property are amortized to the statement of income and expense on a unit-of-production basis over the reserves determined by the Corporation's independent geological and engineering consultant.

(g) Impairment:

(i) Financial assets:

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Corporation considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses on available-for-sale financial assets in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than exploration and evaluation assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. Exploration and evaluation assets are assessed for impairment when they are reclassified to property, plant and equipment, as mineral assets, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Finance income and finance costs:

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Corporation's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(i) 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax non-credit specific rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

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.

The Corporation recognizes the fair value of site reclamation provisions in the period in which it is incurred, when a reasonable estimate of the fair value can be made. The fair value of the estimated reclamation provision is recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on the unit-of-production method over proved and probable reserves.

The liability amount is increased each reporting period due to the passage of time and the unwinding of the discount is expensed to income in the period. Actual costs incurred upon the settlement of the reclamation provision are charged against the provision to the extent recorded. Any difference between the actual costs incurred and the reclamation provision recorded is recognized as a gain or loss in earnings in the period the costs are incurred.

(j) New standards and interpretations not yet adopted:

As of January 1, 2013, the Corporation will be required to adopt the following standards as issued by the International Accounting Standards Board (”IASB”). The Corporation is evaluating the impact that these standards may have on our results of operations and financial position.

(i) IFRS 10, “Consolidated Financial Statements” – In May 2011, the IASB issued IFRS 10 which is the IASB’s project to replace Standard Interpretations Committee 12, “Consolidation – Special Purpose Entities” and the consolidation requirements of IAS 27, “Consolidated and Separate Financial Statements”. The new standard eliminates the current risk and rewards approach and established control as the single basis for determining the consolidation of and entity.

(ii) IFRS 11, “Joint Arrangements” – In May 2011, the IASB issued IFRS 11 to replace IAS 31, “Interest in Joint Ventures”. The new standard redefines joint operations and joint ventures and requires joint operations to be proportionately consolidated and joint ventures to equity accounted. Under IAS 31, joint ventures could be proportionately accounted.

(ii) IFRS 12, “Disclosure of Interests in Other Entities” – In May 2011, the IASB issued IFRS 12 which outlines the required disclosures for interest in subsidiaries and joint arrangements. The new disclosures require information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity’s interests in subsidiaries and joint arrangements.

(iii) IFRS 13, “Fair Value Measurement” – in May 2011, the IASB issued IFRS 13 which provides a common definition of fair value, established a framework for measuring fair value under IFRS and enhances the disclosures required for fair value measurements. The Standard applies where fair value measurements are required and does not require new fair value measurements.

As of January 1, 2015, the Corporation will be required to adopt IFRS 9, “Financial Instruments”. The IASB issued IFRS 9, which is the first phase of the IASB’s project to replace IAS 39, “Financial Instruments: Recognition and Measurement”. The new standard replaces the current multiple classification and measurements models for financial asset and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Corporation’s consolidated financial statements will not be known until the project is complete.

4. Administrative Expenses:

	Year Ended December 31, 2012	Year Ended December 31, 2011
Audit	$ 26,430	$ 28,080
Legal	1,591	9,217
Stock exchange fees	9,136	8,095
Share-based payments	1,590	8,009
Transfer agent fees	6,548	7,444
Annual general meeting	3,520	7,347
Investor relations and news releases	7,348	1,056
Technical consulting	11,768	–
Other	1,105	1,492
	$ 69,036	$ 70,740

5. Cash and cash equivalents:

Cash and cash equivalents at December 31, 2012 and 2011 of $43 and $6,464, respectively consist of cash deposits held in the Corporation’s bank account.

6. Trade and other receivables:

Trade and other receivables at December 31, 2012 and 2011 of $1,022 and $270, respectively are amounts due from the Government of Canada as refunds of Goods and Services Taxes.

7. Intangible assets:

	Exploration and evaluation expenditures
Cost:	
Balance as at December 31, 2010	$ 3,516,241
Additions	5,079
Balance as at December 31, 2011	3,521,320
Additions	4,403
Balance as at December 31, 2012	$ 3,525,723

Of the $3,525,723 in costs recorded to December 31, 2012 (December 31, 2011 - $3,521,320), a total of $933,424 represents predecessor costs expended on the properties by Alhambra (note 11(b) and sold to the Corporation. The properties consist of 49 contiguous claim units in south-central British Columbia covering five (5) zones of copper/gold mineralization. No depletion or depreciation has been recorded during the period.

Details of total mineral properties and deferred exploration and development costs are as follows**:**

	Inception to date	Year ended December 31, 2012	Year ended December 31 2011
Balance as at beginning of the period:	$ –	$ 3,521,320	$ 3,516,241
Acquisition costs	933,424	–	–
Drilling	1,983,638	–	–
Geology	229,703	–	–
Geophysics	272,286	–	–
Other	106,672	4,403	5,079
Balance as at end of the period	$ 3,525,723	$ 3,525,723	$ 3,521,320

8. Trade and other payables:

Trade and other payables at December 31, 2012 and 2011 of $488,573 and $428,593, respectively are liabilities incurred by the Corporation in the nature of trade.

	December 31, 2012	December 31, 2011
Less than 1 month	$ 38,916	$ 30,178
1 to 3 months	5,827	1,581
Over 3 months	443,830	396,834
Total trade and other payables	$ 488,573	$ 428,593

9. Income taxes:

(a) The federal corporate income tax rate has decreased from 16.5% in 2011 to 15.0% in 2012. The combined federal and provincial income tax rate in 2012 is 25.0% (2011 – 26.5%).The tax provision differs from that which would be expected from applying the combined Canadian federal and provincial income tax rates to net loss as follows:

		2012		2011
Statutory tax rate		25.0%		26.5%
Expected tax expense (recovery) on loss before income taxes	$	(17,259)	$	(18,746)
Difference resulting from:				
Stock-based compensation		398		2,122
Change in tax rates		344		1,711
Change in unrecognized temporary differences		16,517		14,913
	$	–	$	–

(b) The components of the Corporations deferred tax assets, after applying enacted corporate income tax rates, are as follows:

As at December 31,		2012		2011
Non-capital losses	$	359,827	$	335,656
Intangible assets		302,084		302,084
Share issue costs		3,776		11,072
Unrecognized deferred tax assets	$	665,687	$	648,812

As at December 31, 2012 the Corporation has non-capital losses for income tax purposes of approximately $1,439,308 which are available to be applied against future years' taxable income. The benefit of these non-capital losses has not been recognized in the financial statements because it is not probable that future taxable profit will be available against which the Corporation can use the benefits. The losses expire as follows:

2027	$	160,138
2028		314,750
2029		367,772
2030		384,551
2031		115,411
2032		96,686
	$	1,439,308

10. Share capital:

(a) Authorized:

Unlimited voting common shares

Unlimited non-voting preferred shares, of which none have been issued

(b) Issued and outstanding:

	Year ended December 31, 2012		Year ended December 31, 2011	
	Number	Amount	Number	Amount
Common shares				
Balance, beginning of period	55,734,333	$ 2,919,231	55,734,333	$ 2,919,231
Balance, end of period	55,734,333	$ 2,919,231	55,734,333	$ 2,919,231

(c) Warrants:

	Year ended December 31, 2012		Year ended December 31, 2011	
	Number	Amount	Number	Amount
Balance, beginning of period	–	$ –	15,097,665	$ 338,537
Expired unexercised	–	–	(15,097,665)	(338,537)
Balance, end of period	–	$ –	–	$ –

The warrants were issued as part of a private placement of flow-through units dated September 23, 2009. Each Warrant was exercisable into one common share of the Corporation until September 23, 2011 at a price of $0.12 per common share. By February 28, 2010 the Corporation had incurred all the eligible expenditures as required under the flow-through share agreements. Also as part of the private placement, the Corporation issued 863,333 broker options. Each broker option entitled the holder to acquire one non-flow-through unit ("NFT Unit") until September 23, 2011 at a price of $0.10 per NFT Unit. Each NFT Unit consisted of one common share and one non-flow-through purchase warrant, each warrant of which contained all the same terms and conditions as the warrants issued as part of the private placement. The Warrants and broker options expired unexercised on September 23, 2011.

(d) Options:

The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all stock options granted under the plan shall not exceed 10% of the issued common shares of the Corporation at the time of granting of the options. Options granted under the plan generally have a term of three to five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as at December 31, 2012 and December 31, 2011 and changes during the periods then ended are as follows:

	Year ended December 31, 2012		Year ended December 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	2,200,000	$ 0.10	2,200,000	$ 0.10
Issued	150,000	0.10	–	–
Expired	(200,000)	0.10	–	–
Outstanding, end of period	2,150,000	$ 0.10	2,200,000	$ 0.10
Exercisable, end of period	2,037,500	$ 0.10	2,200,000	$ 0.10

The following table summarizes information about stock options outstanding and exercisable at December 31, 2012.

	Outstanding		Exercisable	
Exercise price	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
CDN$0.10	1,850,000	1.77	1,850,000	1.77
CDN$0.10	150,000	1.87	150,000	1.87
CDN$0.10	150,000	4.82	37,500	4.82
	2,150,000	1.99	2,037,500	1.83

During the year, the Corporation issued options to purchase 150,000 common shares of the Corporation. Each option has an exercise price of $0.10 per common share, has a term of five years from the date of grant and is exercisable as to twenty-five (25%) immediately and 25% thereafter on each of the dates which are six (6), twelve (12) and eighteen (18) months from the date of grant.

The fair value of the options granted is estimated on the date of grant using the Black-Scholes option-pricing model. The total fair value of the options was determined to be $3,788 (approximately $0.03 per share) using the following weighted-average assumptions:

	2012
Expected life (years)	5.00
Risk-free interest rate (%)	1.39
Expected volatility (%)	150
Expected dividend yield (%)	–

A reconciliation of contributed surplus is provided below:

	December 31, 2012	December 31, 2011
Balance, beginning of period	$ 1,098,541	$ 751,995
Share-based payment expense	1,590	8,009
Expiration of Warrants	–	338,537
Balance, end of period	$ 1,100,131	$ 1,098,541

11. Related party transactions:

(a) Compensation of key management personnel:

The Corporation has no employees and pays no cash remuneration to directors. The remuneration of directors and other key members of management during the years ended December 31, 2012 and 2011 were as follows:

	Year ended December 31, 2012	Year ended December 31, 2011
Share-based payments	$ 1,590	$ 8,009

(b) The Corporation and Alhambra are parties to an Administrative and Corporate Services Contract (the “Contract”) whereby the Corporation agrees to engage Alhambra to provide management, administration and corporate services to the Corporation. The Contact provides for a monthly remuneration of $20,000 plus all reasonable out of pocket expenses and is for an indefinite term but may be terminated by either party upon providing thirty (30) days prior written notice. Effective January 1, 2011, Alhambra agreed to suspend billing DOT for services provided under the Contract until further notice. During 2012 Alhambra paid expenses on behalf of the Corporation totaling $11,509 (2011 - $NIL) which brought the amount owing under the Contract as of December 31, 2012 to $370,942 (December 31, 2011 – $359,433). During 2012, Alhambra advanced DOT $6,200 (2011 - $NIL) to assist DOT with its outstanding obligations while DOT is contemplating various options regarding the financing of its exploration plans and working capital requirements which brought the total advances made to December 31, 2012 to $406,200 (2011 - $400,000). The advances are non-interest bearing. Alhambra is related by way of common directors and management and owns approximately 27% of the outstanding common shares of DOT.

These amounts are measured at their exchange amounts, which is the amount of consideration established and agreed to by the related parties.

12. Loss per share:

Basic loss per share is calculated using the weighted average number of shares outstanding during the period.

	Year Ended December 31, 2012	Year Ended December 31, 2011
Weighted average shares outstanding:		
Basic and diluted	55,734,333	55,734,333

For the year ended December 31, 2012 and 2011, no options, warrants or broker options have been included in the calculation of per share amounts as their effect would have been anti-dilutive.

13. Management of capital:

The Corporation defines capital that it manages as its shareholders' equity and working capital. The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to maintain investor confidence and to not expose the Corporation to excess risk. The Corporation manages its capital structure and makes adjustments to it based on the level of funds available to support the exploration and development of its mineral properties.

To date, the Corporation has raised some funds through the issue of equity instruments. Additional financing must be obtained in order to continue as a going concern. The Corporation is currently attempting to raise additional funds, however, there is no assurance it will be able to do so. The Corporation is not subject to externally imposed capital requirements.

14. Financial Instruments:

Overview

The Corporation has exposure to the following risks from its use of financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

This note presents information about the Corporation's exposure to each of the above risks and the Corporation's objectives and policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. These risks are discussed with management and to the extent the board determines that the risks are of such a nature that they need to be mitigated, procedures are put in place. To date, no specific risk management tools have been put in place to mitigate these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its obligation.

Cash and cash equivalents consist of bank balances and short-term deposits that are redeemable at any time at the option of the Corporation. The Corporation manages the credit exposure related to short-term investments by depositing the cash equivalents only with large banks which management believes the risk of loss to be remote. Accounts receivable primarily relate to GST receivable from the government of Canada, the credit risk of which is considered to be very low.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Corporation does not have an allowance for doubtful accounts as at December 31, 2012 nor was it required to write-off any receivables during the year ended December 31, 2012. The Corporation does not consider any of its receivables to be past due at December 31, 2012.

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they come due. Due to the fact that the Corporation has no operations that generate cash flow to meet such obligations, and is a development stage Corporation, the Corporation requires external financing to ensure all of its obligations are met on a timely basis (note 1(b)). To date the Corporation has been successful in raising the funds necessary to meet its obligations and fund its capital program.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, commodity prices and interest rates, will affect the Corporation’s net earnings. The objective of market risk management is to manage and control market risk exposures.

15. Acquisition of Exploration Properties:

On November 5, 2012 the Corporation entered into a purchase and sale agreement to acquire a 100% interest in four exploration properties known as Promotory Hills (6,701 acres), Copper Belle (2,714 acres), Peacock (3,373 acres) and Cube (1,998 acres), all located in British Columbia (the Agreement”).

As compensation for the acquisition of these four properties, the Corporation agreed issue to the seller 1,200,000 shares of the Corporation (subject to regulatory approval) and $120,000. Closing of the purchase and sale was to occur within 30 days following the date in which regulatory approval is received.

The Corporation has not received regulatory approval of the acquisition as the closing conditions were not met. As a result the Corporation and the seller have amended the purchase and sale agreement effective April 1, 2013 such that the payment is to be made as follows:

(a) 1,200,000 share compensation to be issued as follows:

- (i) 300,000 shares to be issued within 30 days following the closing of a financing by the Corporation or October 31, 2013, whichever comes first;
- (ii) an additional 300,000 shares to be issued on or before October 31, 2014;
- (iii) an additional 300,000 shares to be issued on or before October 31, 2015; and,
- (iv) the final 300,000 shares on or before October 31, 2016.

(b) $120,000 payment to be made as follows:

- (i) $30,000 payable within five business days following the closing of a financing by the Corporation or October 31, 2013, whichever comes first;
- (ii) an additional $30,000 payable on or before October 31, 2014;
- (iii) an additional $30,000 payable on or before October 31, 2015; and,
- (iv) the final $30,000 payable on or before October 31, 2016.

In addition, the Vendor retains a two percent royalty on the revenue realized by the Corporation on the sale of all ores and minerals mined or extracted from the properties. The Corporation may reduce the royalty from 2.0% to 0.5% at any time and at the Corporation's discretion, by making a one-time cash payment of $500,000.

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