



THEMAC Resources Group Limited

Condensed Consolidated Interim Financial Statements

September 30, 2012

(Unaudited)

(Expressed in Canadian dollars)

Suite 700 – 510 West Hastings Street
Vancouver, BC
Canada V6B 1L8
TSXV: MAC

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

THEMAC Resources Group Limited
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

AS AT

	September 30, 2012	June 30, 2012
ASSETS		
Current		
Cash	\$ 293,397	\$ 544,533
Taxes recoverable	24,241	19,538
Prepaid expenses and deposits (Note 3)	505,327	771,755
	822,965	1,335,826
Equipment (Note 4)	225,736	221,916
Bonds (Note 5)	265,477	246,085
Mineral property (Note 5)	25,383,193	26,271,770
Deferred exploration & evaluation (Note 5)	14,564,180	12,428,203
Total Assets	\$ 41,261,551	\$ 40,503,800
LIABILITIES		
Current		
Trade and other payables	\$ 762,736	\$ 1,492,078
Due to related parties	348,144	160,000
Loan payable (Note 6)	23,091,659	-
	24,202,539	1,652,078
Loan payable (Note 6)	-	18,966,274
Asset retirement obligation (Note 5)	241,553	250,000
Total Liabilities	24,444,092	20,868,352
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	18,788,481	18,788,481
Warrants (Note 7)	10,072,430	10,072,430
Reserves	938	938
Share-based payment reserve (Note 7)	3,044,993	2,763,264
Foreign currency reserve	(619,181)	725,429
Deficit	(14,470,202)	(12,715,094)
Total Shareholders' Equity	16,817,459	19,635,448
Total Liabilities and Shareholders' Equity	\$ 41,261,551	\$ 40,503,800

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

See accompanying notes to the condensed consolidated interim financial statements.

On behalf of the Board of Directors:

"Joel Schneyer"
 Director

"Kenneth Pickering"
 Director

THEMAC Resources Group Limited
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30

	2012	2011
Expenses		
Accounting and audit	\$ 31,908	\$ 15,767
Consulting	-	37,500
Depreciation (Note 4)	10,118	2,838
Directors' fees	80,000	68,750
Filing fees and transfer agent fees	2,138	1,969
Foreign exchange loss	-	3,849
Interest expense	1,000,385	163,390
Investor communications	207,180	81,442
Legal fees	7,119	6,232
Management fees	16,596	27,900
Office and sundry	133,702	194,182
Other administration expenses	14,366	3,214
Personnel searches	26,582	34,681
Share-based payments (Note 7)	223,687	290,554
Travel	1,327	30,617
Net loss for the period	(1,755,108)	(962,885)
Other comprehensive income (loss)		
Exchange differences on translating foreign operations	(1,344,610)	2,311,715
Total comprehensive income (loss)	\$ (3,099,718)	\$ 1,348,830
Income (loss) per share – basic	\$ (0.04)	\$ 0.03
Income (loss) per share – diluted	-	\$ 0.01
Weighted average number of outstanding shares – basic	74,117,622	48,714,183
Weighted average number of outstanding shares – diluted	-	110,244,802

See accompanying notes to the condensed consolidated interim financial statements.

THEMAC Resources Group Limited
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30

	2012	2011
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,755,108)	\$ (962,885)
Add non-cash items:		
Depreciation	10,118	2,838
Share-based payments	223,687	290,554
Interest expense	1,000,385	162,330
	<u>(520,918)</u>	<u>(507,163)</u>
Net change in non-cash working capital items:		
Taxes recoverable	(4,703)	1,027
Prepaid expenses and deposits	(25,449)	(95,102)
Trade and other payables	(721,653)	(120,032)
Amounts due to related parties	188,144	(796)
Payables related to deferred exploration and evaluation	611,346	-
Cash used in operating activities	<u>(473,233)</u>	<u>(722,066)</u>
INVESTMENT ACTIVITIES		
Deferred exploration and development expenditures	(2,890,414)	(2,631,174)
Acquisition of equipment	(21,364)	(56,968)
Cash used in investment activities	<u>(2,911,778)</u>	<u>(2,688,142)</u>
FINANCING ACTIVITIES		
Cash received from loan advances	3,125,000	3,888,043
Cash provided by financing activities	<u>3,125,000</u>	<u>3,888,043</u>
Effect of foreign exchange translation on cash	<u>8,875</u>	<u>(69,022)</u>
Net changes in cash position	(251,136)	408,813
Cash position, beginning of period	544,533	224,275
Cash position, end of period	<u>\$ 293,397</u>	<u>\$ 633,088</u>

Supplemental disclosure with respect to cash flows (Note 9)

See accompanying notes to the condensed consolidated interim financial statements.

THEMAC Resources Group Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)
(Expressed in Canadian Dollars)

	Amount	Value	Warrants	Reserves	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance, June 30, 2011	74,117,622	\$ 18,788,481	\$ 10,072,430	\$ 938	\$ 1,883,891	\$ (418,049)	\$ (8,358,188)	\$ 21,969,503
Share-based payments	-	-	-	-	300,640	-	-	300,640
Comprehensive loss for the period	-	-	-	-	-	2,311,715	(962,885)	1,348,830
Balance, September 30, 2011	74,117,622	18,788,481	10,072,430	938	2,184,531	1,893,666	(9,321,073)	23,618,973
Share-based payments	-	-	-	-	578,733	-	-	578,733
Comprehensive loss for the period	-	-	-	-	-	(1,168,237)	(3,394,021)	(4,562,258)
Balance, June 30, 2012	74,117,622	18,788,481	10,072,430	938	2,763,264	725,429	(12,715,094)	19,635,448
Share-based payments	-	-	-	-	281,729	-	-	281,729
Comprehensive loss for the period	-	-	-	-	-	(1,344,610)	(1,755,108)	(3,099,718)
Balance, September 30, 2012	74,117,622	\$ 18,788,481	\$ 10,072,430	\$ 938	\$ 3,044,993	\$ (619,181)	\$(14,470,202)	\$ 16,817,459

See accompanying notes to the condensed consolidated interim financial statements.

THEMAC Resources Group Limited

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

1. NATURE OF OPERATIONS AND GOING CONCERN

THEMAC Resources Group Limited ("THEMAC" or the "Company") was incorporated on February 24, 1997 under the Business Corporations Act (Yukon) by registration of its Articles of Incorporation. The Company is in the business of acquiring, exploring, and developing natural resource properties. The address of the Company's registered office is #700 – 510 West Hastings Street, Vancouver, BC, V6B 1L8, Canada.

The Company has one operating segment, which is the exploration and development of its mineral property. The Company's assets are distributed in two geographic regions, Canada and the United States of America; however the assets in Canada are not significant.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company incurred a net loss of \$1,755,108 for the three month period ended September 30, 2012 and had a working capital deficiency of \$23,379,574 at September 30, 2012. In addition, the Company's forecast cash requirements for the next twelve months exceeds the undrawn amount available under the Company's loan agreement with Tulla Resources Pty Ltd. ("Tulla") (see notes 6 and 12). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required in order to enable the Company to continue and to develop the Copper Flat project. Realization values may be substantially different from carrying values, as shown, and these condensed consolidated interim financial statements do not give effect to the adjustment that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's June 30, 2012 audited consolidated annual financial statements.

These condensed consolidated interim financial statements were authorized for issuance by the Company's board of directors on November 28, 2012.

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

2. BASIS OF PREPARATION (cont'd...)

Significant accounting judgments and estimates

The preparation of the financial statements in conformity with International Financial Reporting Standards 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. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates and judgments.

Accounts that require significant estimates as the basis for determining the stated amounts include mineral properties, deferred exploration and evaluation, and share-based payments. Depreciation and depletion of mineral properties and deferred exploration and evaluation are dependent upon resource estimates which are determined with the exercise of judgement. The assessment of any impairment of mineral properties deferred exploration and evaluation is dependent upon estimates of fair value that take into account factors such as resources and economic and market conditions. Share-based payments expense is calculated using the Black-Scholes valuation model which requires significant judgement as to consideration such as stock option lives and stock volatility; a detailed disclosure of management's estimates with respect to the pricing model is found in Note 7.

The most significant judgment relates to determination of the functional currency for both the Company and its wholly owned foreign subsidiary. Management has assessed various factors including the costs of inputs and has determined the functional currency of its subsidiary, New Mexico Copper Corporation ("NMCC"), to be the US Dollar.

3. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits are integrated as follows:

	September 30, 2012	June 30, 2012
Advances to vendors and contractors related to the mineral property	\$ 420,898	\$ 710,379
Advances to other vendors and contractors	3,397	3,417
Unamortized insurance amounts	26,042	21,691
Lease and rent deposits	54,990	36,268
	<u>\$ 505,327</u>	<u>\$ 771,755</u>

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

4. EQUIPMENT

	Vehicles	Furniture and Equipment	Total
Cost			
Balance, June 30, 2011	\$ -	\$ 10,659	\$ 10,659
Additions	82,207	146,205	228,412
Balance, June 30, 2012	82,207	156,864	239,071
Additions	-	21,364	21,364
Net exchange differences	(2,778)	(5,293)	(8,071)
Balance, September 30, 2012	\$ 79,429	\$ 172,935	\$ 252,364
Accumulated Depreciation			
Balance, June 30, 2011	\$ -	\$ 886	\$ 886
Depreciation	9,751	6,518	16,269
Balance, June 30, 2012	9,751	7,404	17,155
Depreciation	4,017	6,101	10,118
Net exchange differences	(375)	(270)	(645)
Balance, September 30, 2012	\$ 13,393	\$ 13,235	\$ 26,628
Net Book Value			
As at June 30, 2012	\$ 74,456	\$ 149,460	\$ 221,916
As at September 30, 2012	\$ 66,036	\$ 159,700	\$ 225,736

5. MINERAL PROPERTY

Copper Flat Project

	Mineral Property	Deferred exploration and evaluation	Total
Balance, June 30, 2011	\$ 24,882,303	\$ 2,180,415	\$ 27,062,718
Additions	-	9,983,576	9,983,576
Net exchange differences	1,389,467	264,212	1,653,679
Balance, June 30, 2012	26,271,770	12,428,203	38,699,973
Additions	-	2,584,057	2,584,057
Net exchange differences	(888,577)	(448,080)	(1,336,657)
Balance, September 30, 2012	\$ 25,383,193	\$ 14,564,180	\$ 39,947,373

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

5. MINERAL PROPERTY (cont'd...)

Copper Flat Project (cont'd...)

Pursuant to the completion of its obligations under an acquisition agreement, the Company controls 100% of the mineral rights of the Copper Flat Project in New Mexico, USA.

The property is subject to a 3.25% net smelter return royalty, and quarterly advance royalty payments of US\$50,000 (for copper prices under US\$2.00/lb) or US\$112,500 (for copper prices greater than \$2.00/lb).

On September 9, 2010, the Company entered into an option agreement to acquire the water rights related to Copper Flat. The Company has paid US\$1,500,000 in connection with the agreement and is required to pay US\$700,000 within 60 days after the Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department issues a permit for the commercial operation of the mine, or on August 1, 2018, whichever occurs first.

Bonds

As at September 30, 2012, the Company has posted bonds of US\$269,876 (June 30, 2012 – US\$241,740) in connection with the drilling permits for Copper Flat.

Asset Retirement Obligation

The Company has set up an asset retirement obligation in connection with certain possible environmental liabilities resulting from work done at the Copper Flat project.

6. LOAN PAYABLE

	Principal	Accrued Interest	Total
Balance, June 30, 2011	\$ 4,900,000	\$ 62,192	\$ 4,962,192
Additions to March 29, 2012	10,100,000	845,490	10,945,490
Interest converted to principal	907,682	(907,682)	-
Additions to June 30, 2012	2,400,001	658,591	3,058,592
Balance, June 30, 2012	18,307,683	658,591	18,966,274
Additions	3,125,000	1,000,385	4,125,385
Balance, September 30, 2012	\$ 21,432,683	\$ 1,658,976	\$ 23,091,659

The Company has a loan agreement with a company controlled by director Kevin Maloney, through an affiliated company (Tulla). The loan bears interest at 20% per annum and is secured by any lands, tenements, buildings, houses and premises in the name of the Company or its subsidiary NMCC. The loan can be repaid by the Company at any time without penalty, and is payable on demand provided that such a demand is not made before July 5, 2013.

The loan has a maximum principal amount of \$25,000,000. As at September 30, 2012, the undrawn loan amount available is \$3,567,317.

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

7. EQUITY

a) Authorized share capital

Unlimited common shares without par value.

b) Issued and fully paid

The Company did not complete any private placements during the period ended September 30, 2012 or the year ended June 30, 2012.

c) Shares and warrants in escrow:

	Shares	Warrants
Balance, June 30, 2011	38,105,159	30,000,000
Released from escrow	(25,403,439)	(20,000,000)
Balance, June 30, 2012	12,701,720	10,000,000
Released from escrow	(12,701,720)	(10,000,000)
Balance, September 30, 2012	-	-

d) Warrants:

	Warrants outstanding	Weighted average exercise price
Balance, June 30, 2011 and 2012 and September 30, 2012	56,082,556	\$0.32

Warrants outstanding and exercisable as at September 30, 2012 are as follows:

Grant date	Warrants outstanding	Weighted average exercise price	Expiry date
March 4, 2011	10,500,000	\$0.28	March 4, 2016
March 4, 2011	5,582,556	0.28	May 4, 2013
March 4, 2011	40,000,000	0.34	March 4, 2016
	56,082,556	\$0.32	

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

7. EQUITY (cont'd...)

e) Stock options

The continuity of stock options is as follows:

	Options Outstanding	Weighted average exercise price
Balance, June 30, 2011	4,323,063	\$0.57
Granted	1,900,000	0.74
Forfeited	(300,000)	0.67
Balance on June 30, 2012	5,923,063	0.62
Granted	700,000	0.58
Forfeited	(300,000)	0.65
Balance, September 30, 2012	6,323,063	\$0.62

Stock options outstanding and exercisable as at September 30, 2012 are as follows:

Granted on (Date)	Options Outstanding	Options Exercisable	Weighted average exercise price	Expiry date
March 4, 2011	1,812,882	1,812,882	\$0.51	March 4, 2016
March 4, 2011	1,385,181	1,385,181	0.60	March 4, 2016
March 27, 2011	200,000	200,000	0.65	March 27, 2016
March 31, 2011	75,000	75,000	0.74	March 31, 2016
April 7, 2011	175,000	175,000	0.70	April 7, 2016
May 6, 2011	200,000	200,000	0.56	May 6, 2016
June 1, 2011	300,000	300,000	0.67	June 1, 2016
August 26, 2011	1,000,000	666,666	0.80	August 26, 2016
December 21, 2011	175,000	137,500	0.68	December 21, 2016
January 11, 2012	300,000	150,000	0.65	January 11, 2017
August 24, 2012	700,000	350,000	0.58	August 24, 2017
	6,323,063	5,452,229	\$0.62	

f) Share-based payments

The Company has adopted a formal stock option plan (the "Plan"). The Plan is referred to as a "rolling" plan and provides for an aggregate number of shares reserved for issuance of up to 10% of the Company's issued common shares at the time of the grant of a stock option under the Plan. Stock options are granted with an exercise price in accordance with the TSX Venture Exchange policy.

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

7. EQUITY (cont'd...)

f) Share-based payments (cont'd...)

During the period ended September 30, 2012, the Company granted 700,000 (2011 – 1,125,000) options with a weighted average fair value of \$0.43 per option (2011 - \$0.58). Total share-based payments granted and vested for the period were \$281,729 (2011 - \$300,640) of which \$223,687 (2011 - \$290,554) was recognized in the statement of comprehensive loss and \$58,041 (2011 - \$10,086) was capitalized to exploration and evaluation assets.

The following weighted average assumptions were used for the valuation of stock options:

	2012	2011
Risk-free interest rate	1.24%	1.58%
Expected life of options	2.97 years	4.70 years
Annualized volatility	130.10%	99.02%
Dividend rate	0.00%	0.00%
Forfeiture rate	4.85%	5.14%

8. PAYMENTS TO KEY MANAGEMENT PERSONNEL AND RELATED PARTY TRANSACTIONS

Significant Subsidiary

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiary New Mexico Copper Corporation (USA).

Management Compensation

The aggregate of amounts paid or accrued to parties not at arm's length to the Company for the periods ended September 30, 2012 and 2011 consist of the following:

	2012	2011
	\$	\$
Payments to key management personnel:		
Cash compensation	85,871	63,862
Stock based compensation granted to senior management	163,918	222,311
Directors' fees	80,000	68,750
Related party transactions:		
Advances received on Tulla loan (Note 6)	3,125,000	3,888,043
Interest accrued on Tulla loan (Note 6)	1,000,385	162,330

These transactions are in the normal course of operations and in the amount of consideration established and agreed to by the related parties.

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian Dollars)
SEPTEMBER 30, 2012

9. NON-CASH TRANSACTIONS

During the three month period ended September 30, 2012, the Company entered into the following non-cash transactions:

- Incurred \$475,968 (2011 - \$679,189) of deferred Copper Flat exploration and development costs through trade and other payables.
- Incurred \$58,041 (2011 - \$10,086) of deferred Copper Flat exploration and development costs through share-based payments.
- Incurred \$Nil (2011 - \$129,612) of deferred Copper Flat exploration and development costs through accrual of asset retirement obligations.

10. CAPITAL DISCLOSURES

The Company considers its share capital as capital. The Company's objective when managing capital is to maintain a flexible capital structure for the benefit of its shareholders. The Company's main source of funds is from the issuance of common shares.

The Company keeps its cash only in chequing accounts with major Canadian and US institutions of high credit worthiness. At September 30, 2012, the Company had cash of \$293,397 (June 30, 2012 - \$544,533).

The Company is not subject to any externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, taxes recoverable, bonds, trade and other payables, amounts due to related parties, and loan payable. The fair value of cash is measured on the statement of financial position using Level 1 of the fair value hierarchy as it is based on unadjusted quoted prices in active market. The fair value of trade and other receivables, and trade and other payables approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

The Company is subject to currency risks. The Company's Copper Flat project is located in the United States of America, and many of the Company's expenditures on this project are denominated in US dollars. The Company maintains its principal office in Canada, and has monetary assets and liabilities in Canadian and US dollars. The currency exchange rate between the US and Canadian dollars fluctuated from a low of US\$0.98 to a high of US\$1.03 for C\$1 during the year ended September 30, 2012. The Company has estimated that a change of 10% in the currency rate could affect the total comprehensive income (loss) by approximately \$4,000,000. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken to mitigate foreign currency risk at this time and does not use derivative instruments to reduce its exposure to currency risk.

THEMAC Resources Group Limited
Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

11. FINANCIAL INSTRUMENTS

Interest rate and credit risk

The Company has a cash balance, taxes recoverable, trade and other payables, amounts due to related parties and a loan payable (Note 6). Amounts owed to related parties, excluding the loan payable, do not bear interest, and therefore these amounts are not exposed to interest rate variations. The loan payable bears an interest rate of 20% per annum on outstanding amounts.

Taxes recoverable typically consist of Canadian Harmonized Sales Tax ("HST") due from the Federal Government of Canada. Management believes that the credit risk with respect to receivables is remote. In addition, the company is satisfied with the credit rating of the banks where the cash is held.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of trade and other payables. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and future obligations compared to the Company's current cash position and expected cash receipts. The objective of the Company is to manage its liquidity risk by maintaining sufficient cash to meet its anticipated operational needs. Due to the relatively low cash position of the Company, the Company is exposed to liquidity risk.

12. SUBSEQUENT EVENT

Subsequent to September 30, 2012, the Company received \$1,000,000 in additional advances from Tulla pursuant to the loan agreement (Note 6).