

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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Buckingham Exploration Inc.

CIK: [1376804](#) | IRS No.: **980543851** | State of Incorporation: **NV** | Fiscal Year End: **0531**
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SIC: **1000** Metal mining

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **November 30, 2012**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-53462**

BUCKINGHAM EXPLORATION INC.

(Exact name of registrant as specified in its charter)

Nevada

*(State or other jurisdiction of incorporation or
organization)*

98-054-3851

(I.R.S. Employer Identification No.)

Suite 418-831 Royal Gorge Blvd.

Cañon City, CO 81212, USA

(Address of principal executive offices)

(604) 737-0203

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer **Smaller reporting company**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of January 14, 2013, the registrant's outstanding common stock consisted of 78,769,712 shares.



BUCKINGHAM
EXPLORATION INC.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

**Buckingham Exploration Inc.
(An Exploration Stage Company)
November 30, 2012**

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Buckingham Exploration Inc.
(An Exploration Stage Company)
Consolidated Balance Sheets
(Unaudited)

	November 30, 2012	May 31, 2012
ASSETS		
Current Assets		
Cash	\$ 139,211	\$ 446,623
Other receivables	1,864	451
Subscription receivables	-	30,000
Advances from related party	65,504	10,000
Prepaid expense	10,100	10,000
Total Current Assets	216,679	497,074
Property and Equipment, net accumulated depreciation of \$2,712 and \$1,893, respectively	2,524	2,070
Total Assets	\$ 219,203	\$ 499,144
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 22,897	\$ 110,564
Accounts payable - related parties	5,228	2,778
Accrued liabilities	-	240,625
Total Liabilities	28,125	353,967
Stockholders' Equity		
Preferred Stock, 20,000,000 shares authorized, \$0.0001 par value, None issued and outstanding	-	-
Common Stock, 300,000,000 shares authorized, \$0.0001 par value 78,769,712 and 76,019,712 shares issued and outstanding, respectively	7,877	7,602
Additional Paid-in Capital	9,052,228	8,766,045
Deficit Accumulated During the Exploration Stage	(8,869,027)	(8,628,470)
Total Stockholders' Equity	191,078	145,177
Total Liabilities and Stockholders' Equity	\$ 219,203	\$ 499,144

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

Buckingham Exploration Inc.
(An Exploration Stage Company)
Consolidated Statements of Expenses
(Unaudited)

	For the Three Months Ended November 30, 2012	For the Three Months Ended November 30, 2011	For the Six Months Ended November 30, 2012	For the Six Months Ended November 30, 2011	Accumulated from April 4, 2006 (Date of Inception) to November 30, 2012
Expenses					
General and administrative	\$ 35,546	\$ 171,697	\$ 202,297	\$ 216,887	\$ 2,877,983
Exploration mineral property costs	7,106	31,062	7,106	31,062	183,326
Professional fees	10,402	17,044	31,154	35,056	697,265
Total Expenses	53,054	219,803	240,557	283,005	3,758,574
Net Loss Before Other Expenses	(53,054)	(219,803)	(240,557)	(283,005)	(3,758,574)
Other Income (Expenses)					
Interest income	-	-	-	-	2,276
Miscellaneous income	-	-	-	-	1,467
Interest expense	-	-	-	-	(59,588)
Accretion of convertible debenture discount	-	-	-	-	(31,396)
Gain on disposal of property and equipment	-	-	-	-	7,277
Total Other Income (Expenses)	-	-	-	-	(79,964)
Net Loss From Continuing Operations	(53,054)	(219,803)	(240,557)	(283,005)	(3,838,538)
Results from discontinued operations	-	-	-	-	(5,030,489)
Net Loss	\$ (53,054)	\$ (219,803)	\$ (240,557)	\$ (283,005)	\$ (8,869,027)
Net Loss Per Share - Basic and Diluted	(0.00)	(0.00)	(0.00)	(0.00)	
Weighted Average Shares Outstanding	78,770,000	64,552,000	78,018,000	60,631,000	

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

Buckingham Exploration Inc.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended November 30, 2012	For the Six Months Ended November 30, 2011	Accumulated from April 4, 2006 (Date of Inception) to November 30, 2012
Operating Activities			
Net loss	\$ (240,557)	\$ (283,005)	\$ (8,869,027)
Adjustments to reconcile net loss to net cash used in operating activities			
Accretion of convertible debenture discount	-	-	31,396
Amortization	819	500	2,712
Shares issued for mineral property costs	-	22,500	2,323,600
Impairment of mineral property costs	-	-	2,230,125
Stock-based compensation	45,833	-	718,953
Gain on disposal of property and equipment	-	-	(7,277)
Loss from discontinued operations	-	-	37,785
Changes in operating assets and liabilities			
Accounts payable and accrued liabilities	(87,667)	3,514	599,198
Advances	(55,504)	-	(55,504)
Other receivables	(1,413)	1,357	(4,152)
Prepaid expenses and other current assets	(100)	(11,921)	(21,143)
Due to related parties	2,450	(102,158)	(197,001)
Net Cash Used in Operating Activities	(336,139)	(369,213)	(3,210,335)
Investing Activities			
Acquisition of mineral properties	-	-	(2,230,125)
Acquisition of property and equipment	(1,273)	(1,933)	(89,969)
Proceeds from disposition of subsidiaries	-	-	32,970
Proceeds from disposal of property and equipment	-	-	24,777
Proceeds from disposal of property and equipment in discontinued operations	-	-	12,496
Net Cash Used in Investing Activities	(1,273)	(1,933)	(2,249,851)
Financing Activities			
Advances from related parties	-	-	196,671
Repayments to related parties	-	-	(59,026)
Proceeds from notes payable	-	-	61,694
Repayment of note payable	-	-	(73,362)
Proceeds from loans payable	-	-	387,218
Repayment of loans payable	-	-	(25,000)
Proceeds from the issuance of common stock	-	715,000	5,278,352
Proceeds from common stock subscription	30,000	-	40,350
Share issuance costs	-	-	(207,500)
Net Cash Provided by Financing Activities	30,000	715,000	5,599,397
(Decrease) Increase In Cash	(307,412)	343,854	139,211
Cash - Beginning of Period	446,623	64,753	-
Cash - End of Period	\$ 139,211	\$ 408,607	\$ 139,211
Non-Cash Investing and Financing Activities:			
Subscription receivable	\$ -	\$ -	\$ 30,000
Convertible debt issued to settle loans payable	\$ -	\$ -	\$ 350,000
Convertible debt issued to settle related party advances	\$ -	\$ -	\$ 150,000
Common stock issued for mineral property acquisitions	\$ -	\$ -	\$ 2,201,100
Common stock issued for finders fee	\$ -	\$ -	\$ 100,000

Common stock issued for services	\$ 240,625	\$ -	\$ 412,625
Disposal of property and equipment for debt settlement	\$ -	\$ -	\$ 16,952
Conversion of debt to stock	\$ -	\$ -	\$ 66,332
Issuance of stock for settlement of accrued interest	\$ -	\$ -	\$ 477,661
Supplemental Disclosures:			
Interest paid	\$ -	\$ -	\$ 21,897
Income tax paid	\$ -	\$ -	\$ -

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

1. Nature of Operations and Continuance of Business

Buckingham Exploration Inc. (the "Company") was incorporated in the State of Nevada on April 4, 2006. The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company's principal business is the acquisition and exploration of mineral properties.

On August 9, 2010, the Company incorporated 0887717 B.C. Ltd., a wholly-owned subsidiary in British Columbia, Canada.

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues since inception and has not paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at November 30, 2012, the Company has working capital of \$188,554 and an accumulated deficit of \$8,869,027. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at November 30, 2012, the Company had \$139,211 cash in the bank. The Company requires a minimum of \$200,000 to proceed with their plan of operations over the next twelve months. If they achieve less than the full amount of financing that they require they will scale back planned exploration activities and day to day operations in order to reduce exploration expenses and general and administrative expenses to a level appropriate to the financial resources available. There can be no assurance that the Company will be able to raise sufficient funds to pay the expected operating expenses for the next twelve months.

3. Interim Financial Statements

The interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended May 31, 2012, included in the Company's Annual Report on Form 10-K filed on September 13, 2012 with the SEC.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at November 30, 2012, and the results of its operations and cash flows for the six months ended November 30, 2012 and 2011. The results of operations for the six months ended November 30, 2012, are not necessarily indicative of the results to be expected for future quarters or the full year.

The accompanying unaudited consolidated financial statements include the accounts of Buckingham Exploration Inc. and its wholly owned subsidiary 0887717 B.C. Ltd. All significant intercompany balances and transactions have been eliminated in the consolidation.

Certain prior year amounts have been reclassified to conform to current year presentation.

4. Related Party Transactions and Balances

- a) Included in accounts payable-related party at November 30, 2012, is \$5,228 due to a company with common directors.
- b) During the six months ended November 30, 2012, the Company paid its former Chairman management fees in the amount of \$32,000.

- c) Included in advances to related party at November 30, 2012, is \$65,504(May 31, 2012-\$10,000) due from a company with common directors (interest free and due on demand).

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5. Common Stock

On July 20, 2012, the Company issued an aggregate of 2,750,000 shares of common stock with a fair value of \$286,458 to certain directors, officers and employees as compensation for services rendered from January 1, 2012 through June 30, 2012. The company recognized expense of \$240,625 for the period from January 1, 2012 through May 31, 2012 during prior year while the remaining \$45,833 was expensed during the current period ended November 30, 2012.

6. Share Purchase Warrants

A summary of the Company's outstanding common share purchase warrants as at November 30, 2012 is presented below:

Number of Warrants	Exercise Price	Expiration Date
7,500,000	\$ 0.10	February 11, 2013
17,500,000	\$ 0.10	February 11, 2013
25,000,000		

As at November 30, 2012, the aggregate intrinsic value of the common share purchase warrants was \$0.

7. Commitments

On January 13, 2012, the Company entered into a Strategic Alliance Agreement with Mining Plus (Pty) Ltd. ("Mining Plus"), pursuant to which the Company and Mining Plus agreed to cooperate in respect of project generation and review and the development of projects once identified, as well as consider how best to exploit common interests and derive the potential benefits arising from such common interests.

The Company leases premises, at the rate of \$476 per month, located at Suite 418-831 Royal Gorge Blvd, Canon City, Colorado 81212, from where the Company oversees its business activities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Statement Regarding Forward-Looking Information

The statements in this quarterly report that are not reported financial results or other historical information are "forward-looking statements" within the meaning of the *Private Securities Litigation Reform Act of 1995*, as amended. These statements appear in a number of different places in this report and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Also look for discussions of strategy that involve risks and uncertainties. Forward-looking statements include, among others, statements regarding our business plans and availability of financing for our business.

You are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties. Our actual results may differ materially from those in the forward-looking statements due to risks facing us or due to actual facts differing from the assumptions underlying our estimates. Some of these risks and assumptions include those set forth in reports and other documents we have filed with or furnished to the United States Securities and Exchange Commission ("SEC"). We advise you that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to us or persons acting on our behalf. Unless required by law, we do not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations. However, you should carefully review the reports and other documents we file from time to time with the SEC.

Presentation of Information

As used in this quarterly report, the terms "we", "us", "our" and the "Company" mean Buckingham Exploration Inc. and its subsidiaries, unless the context requires otherwise.

All dollar amounts in this quarterly report refer to US dollars unless otherwise indicated.

Overview

We were incorporated as a Nevada company on April 4, 2006. We have been engaged in the acquisition and exploration of mineral properties since our inception. We have not generated any revenues and have incurred losses since inception.

We currently own a 100% interest in the Dome mineral properties, located in the Province of British Columbia, Canada. In addition, we own a 100% interest in two mineral properties (known as the Byng and Tramp claims) also located in the Province of British Columbia, Canada. We owned an option to acquire a 100% interest in the Lady Ermalina mineral properties, located in the Province of British Columbia, Canada, which has expired. As the Byng and Tramp claims are located adjacent to the Lady Ermalina claims, we plan to dispose of our interest in these properties going forward. We have conducted limited exploration work on our mineral properties and none of our properties has been determined to contain any mineral resources or reserves of any kind.

We continue our advanced negotiations to acquire a gold exploration project in Indonesia, and are also reviewing what we believe to be opportunities with potential in Peru, South America through our strategic alliance with ExploAndes S.A.C. ("ExploAndes") as described below.

We have completed initial due diligence on the project in Indonesia and continue to negotiate terms. In addition, we continue to investigate the potential acquisition of a near-term coal producing asset in a nearby region of Indonesia. We have agreed to initial terms with a reputable in-country mining services company to assist in the exploration and development of mineral properties in Indonesia, should we decide to proceed and enter into formal definitive agreements to acquire the properties.

We have also entered a strategic alliance with Mining Plus Pty Ltd (“Mining Plus”), a leading firm of mining and geoscience consultants with offices in Australia, Canada and Peru, to assist in the identification, assessment and development of projects and this has resulted in our being able to quickly assess the potential of the gold project in Indonesia. We expect the alliance with Mining Plus to lead to other potential opportunities in line with our strategy.

Via the strategic alliance with Mining Plus, we have ready access to over 50 seasoned mining industry professionals to assist in the potential development of projects with the emphasis on creating early cash flow to enable our company to consider other corporate opportunities. We are also continuing discussions in relation to other assets in Indonesia and elsewhere that present near term cash-flow opportunities.

We recently entered into a strategic alliance with ExploAndes, a leading firm of geology consultants and project logistics managers located in Peru, to assist in the identification, assessment and development of projects in South America. ExploAndes has a proven track record of delivering professional services to the South American mining industry from mineral project review and assessment to project management and we expect this strategic alliance to also lead to potential opportunities in line with our strategy. As noted above, we are currently reviewing certain projects with ExploAndes.

In September 2012, Christopher Robin Relph resigned as a director and the Chairman and Chief Financial Officer of our company. We appointed Simon Eley, our current President and Chief Executive Officer, as interim Chief Financial Officer. In December 2012, we appointed Allister Blyth as our Chief Financial Officer. In line with our plans, we expect to appoint additional directors and officers to manage our growth going forward.

See our Annual Report on Form 10-K for the year ended May 31, 2012 for more information regarding our business.

Our plan of operations for the next 12 months is to continue to seek out, acquire, explore and potentially develop projects with an emphasis on creating early cash flow for our business, whether by way of acquisition of full ownership, joint venture or other acceptable structure. We also plan to dispose of the Byng and Tramp claims and may conduct a small exploration project on our Dome mineral claims. We anticipate we will require approximately \$5 million to carry out our plans over the next 12 months. As at November 30, 2012, we had cash of \$139,211 and working capital of \$188,554 and will require significant financing to pursue our exploration plans. There can be no assurance that we will obtain the required financing, on terms acceptable to us or at all. In the event we are unable to obtain the required financing, our business may fail. An investment in our securities involves significant risks and you could lose your entire investment.

Results of Operations

The following discussion and analysis of our results of operations and financial condition for the three and six months ended November 30, 2012 should be read in conjunction with our unaudited interim consolidated financial statements and related notes included in this report, as well as our most recent annual report on Form 10-K for the year ended May 31, 2012 filed with the SEC.

Three Months Ended November 30, 2012 Compared to Three Months Ended November 30, 2011

Lack of Revenues

We have earned no revenues and have sustained operational losses since our inception on April 4, 2006 to November 30, 2012. As of November 30, 2012, we had an accumulated deficit of \$8, 869,027. We anticipate that we will not earn any revenues during the current fiscal year as we are an exploration stage company.

Expenses

From April 4, 2006 (date of inception) to November 30, 2012, our total expenses were \$3,758,574 comprised of \$697,265 in professional fees, \$183,326 in mineral property costs and \$2,877,983 in general and administrative expenses.

Our total expenses decreased to \$53,054 for the three months ended November 30, 2012 from \$219,803 for the three months ended November 30, 2011 mainly due to lower general and administrative expenses. General and administrative expenses decreased to \$35,546 in the current period from \$171,697 in the prior period, primarily resulting from reduced due diligence expenses relating to potential acquisitions of mineral property interests in the current period. Professional fees decreased to \$10,402 in the current period from \$17,044 in the prior period due to decreased activity.

Net Loss

For the three months ended November 30, 2012, we recognized a net loss of \$53,054, compared to \$219,803 for the three months ended November 30, 2011.

Six Months Ended November 30, 2012 Compared to Six Months Ended November 30, 2011

Lack of Revenues

We have earned no revenues and have sustained operational losses since our inception on April 4, 2006 to November 30, 2012. As of November 30, 2012, we had an accumulated deficit of \$8, 869,027. We anticipate that we will not earn any revenues during the current fiscal year as we are an exploration stage company.

Expenses

Our total expenses decreased to \$240,557 for the six months ended November 30, 2012 from \$283,005 for the six months ended November 30, 2011 mainly due to lower general and administrative expenses. General and administrative expenses decreased to \$202,297 in the current period from \$216,887 in the prior period, primarily resulting from reduced due diligence expenses relating to potential acquisitions of mineral property interests in the current period. Professional fees decreased to \$31,154 in the current period from \$35,056 in the prior period due to decreased activity.

Net Loss

For the six months ended November 30, 2012, we recognized a net loss of \$240,557, compared to \$283,005 for the six months ended November 30, 2011.

Liquidity and Capital Resources

As of November 30, 2012, we had cash of \$139,211, working capital of \$188,554, total assets of \$219,203, total liabilities of \$28,125 and an accumulated deficit of \$(8,869,027).

Financing Activities

We have funded our operations primarily by a combination of private placements, advances from related parties and loans. From April 4, 2006 (date of inception) to November 30, 2012, financing activities provided cash of \$5,599,397, primarily from the sale of our common stock and loans.

During the six months ended November 30, 2012, financing activities provided cash of \$30,000 from the sale of our common stock, compared to \$715,000 in the prior period.

Operating Activities

Operating activities used cash of \$336,139 for the six months ended November 30, 2012, compared to \$369,213 for the six months ended November 30, 2011. A decrease in accounts payable and accrued liabilities used cash of \$87,667 in the six months ended November 30, 2012, compared to an increase in the same providing cash of \$3,514 in the prior period. A decrease in advances used cash of \$55,504 in the current period, compared to \$Nil in the prior period. An increase in other receivables used cash of \$1,413 in the current period, compared to a decrease in same providing cash of \$1,357 in the prior period. An increase in prepaid expenses and other assets used cash of \$100 in the current period, compared to \$11,921 in the prior period. An increase in amounts due to/from related parties provided cash of \$2,450 in the current period, compared to a decrease in the same using cash of \$102,158 in the prior period.

Investing Activities

Investing activities used cash of \$1,273 in the six months ended November 30, 2012 from the purchase of property and equipment, compared to \$1,933 in the prior period.

We expect that our total expenses will increase over the next year as we increase our business operations. We do not anticipate generating any revenues over the next year.

Our plan of operations for the next 12 months is to continue to seek out, acquire, explore and potentially develop projects with an emphasis on creating early cash flow for our business, whether by way of acquisition of full ownership, joint venture or other acceptable structure. We also plan to dispose of the Byng and Tramp claims and may conduct a small exploration project on our Dome mineral claims. We anticipate we will require approximately \$5 million to carry out our plans over the next 12 months. As at November 30, 2012, we had cash of \$139,211 and working capital of \$188,554 and will require significant financing to pursue our exploration plans. There can be no assurance that we will obtain any additional financing, on terms acceptable to us or at all. In the event we are unable to obtain the required financing, our business may fail. An investment in our securities involves significant risks and you could lose your entire investment.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Going Concern

Our consolidated financial statements for the period ended November 30, 2012 have been prepared on a going concern basis and Note 2 to the statements identifies issues that raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We have not generated any revenues, have achieved losses since our inception, and rely upon the sale of our common stock and loans from related and other parties to fund our operations. We do not anticipate generating any revenues in the foreseeable future, and if we are unable to raise equity or secure alternative financing, we may not be able to pursue our plans and our business may fail.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROL AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report, an evaluation was carried out by our principal executive officer and principal financial officer of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of November 30, 2012. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management to allow timely decisions regarding required disclosures.

Based on that evaluation, and the material weaknesses outlined below, our principal executive officer and principal financial officer concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were not effective in recording, processing, summarizing and reporting information required to be disclosed, within the time periods specified in the SEC' s rules and forms, and that such information may not be accumulated and communicated to our principal executive officer and principal financial officer to allow timely decisions regarding required disclosures.

A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company' s annual or interim financial statements will not be prevented or detected on a timely basis. Based on the assessment of the effectiveness of disclosure controls and procedures as of November 30, 2012, the following significant deficiencies were identified:

1. Lack of proper segregation of duties due to limited personnel.
2. Lack of a formal review process that includes multiple levels of review, resulting in adjustments related to common stock, unrecorded liabilities and share based compensation.

Management is currently evaluating remediation plans for the above control deficiencies.

In light of these control deficiencies, management concluded that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the company' s disclosure controls or internal controls.

Changes in Internal Control

During the quarter ended November 30, 2012, there were no other changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not a party to any pending material legal proceedings and are not aware of any material legal proceedings threatened against us or of which our property is the subject. None of our directors, officers or affiliates: (i) are a party adverse to us in any legal proceedings, or (ii) have an adverse interest to us in any legal proceedings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Description
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31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Buckingham Exploration Inc.

/s/ Simon Eley

Simon Eley
President and Chief Executive Officer

Date: January 14, 2013

**Certification Of The Chief Executive Officer Pursuant to Rule 13a-14 or 15d-14 of
the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Simon Eley, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Buckingham Exploration Inc.
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.
- 4 I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:
 - a Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the period covered by the quarter report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

By: /s/ Simon Eley

Simon Eley
Chief Executive Officer

January 14, 2013

**Certification Of The Chief Financial Officer Pursuant to Rule 13a-14 or 15d-14 of
the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Allister Blyth, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Buckingham Exploration Inc.
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.
- 4 I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:
 - a Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the period covered by the quarter report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

By: /s/ Allister Blyth
Allister Blyth
Chief Financial Officer
January 14, 2013

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Buckingham Exploration Inc. (the "Company") on Form 10-Q for the period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Eley, Chief Executive Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Simon Eley
Simon Eley
Chief Executive Officer

January 14, 2013

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Buckingham Exploration Inc. (the "Company") on Form 10-Q for the period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allister Blyth, Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Allister Blyth
Allister Blyth
Chief Financial Officer
January 14, 2013

**Related Party Transactions
and Balances**

**6 Months Ended
Nov. 30, 2012**

[Related Party Transactions and Balances \[Text Block\]](#)

4. Related Party Transactions and Balances

- a) Included in accounts payable-related party at November 30, 2012, is \$5,228 due to a company with common directors.
- b) During the six months ended November 30, 2012, the Company paid its former Chairman management fees in the amount of \$32,000.
- c) Included in advances to related party at November 30, 2012, is \$65,504 (May 31, 2012-\$10,000) due from a company with common directors (interest free and due on demand).

Interim Financial Statements

**6 Months Ended
Nov. 30, 2012**

[Interim Financial Statements](#) 3. Interim Financial Statements
[\[Text Block\]](#)

The interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission (“SEC”) Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ended May 31, 2012, included in the Company’s Annual Report on Form 10-K filed on September 13, 2012 with the SEC.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company’s financial position at November 30, 2012, and the results of its operations and cash flows for the six months ended November 30, 2012 and 2011. The results of operations for the six months ended November 30, 2012, are not necessarily indicative of the results to be expected for future quarters or the full year.

The accompanying unaudited consolidated financial statements include the accounts of Buckingham Exploration Inc. and its wholly owned subsidiary 0887717 B.C. Ltd. All significant intercompany balances and transactions have been eliminated in the consolidation.

Certain prior year amounts have been reclassified to conform to current year presentation.

Consolidated Balance Sheets
(Unaudited) (USD \$)

	Nov. 30,	May 31,
	2012	2012
<u>Current Assets</u>		
<u>Cash</u>	\$ 139,211	\$ 446,623
<u>Other receivables</u>	1,864	451
<u>Subscription receivables</u>	0	30,000
<u>Advances from related party</u>	65,504	10,000
<u>Prepaid expense</u>	10,100	10,000
<u>Total Current Assets</u>	216,679	497,074
<u>Property and Equipment, net accumulated depreciation of \$2,712 and \$1,893, respectively</u>	2,524	2,070
<u>Total Assets</u>	219,203	499,144
<u>Current Liabilities</u>		
<u>Accounts payable</u>	22,897	110,564
<u>Accounts payable - related parties</u>	5,228	2,778
<u>Accrued liabilities</u>	0	240,625
<u>Total Liabilities</u>	28,125	353,967
<u>Stockholders' Equity</u>		
<u>Preferred Stock, 20,000,000 shares authorized, \$0.0001 par value, None issued and outstanding</u>	0	0
<u>Common Stock, 300,000,000 shares authorized, \$0.0001 par value 78,769,712 and 76,019,712 shares issued and outstanding, respectively</u>	7,877	7,602
<u>Additional Paid-in Capital</u>	9,052,228	8,766,045
<u>Deficit Accumulated During the Exploration Stage</u>	(8,869,027)	(8,628,470)
<u>Total Stockholders' Equity</u>	191,078	145,177
<u>Total Liabilities and Stockholders' Equity</u>	\$ 219,203	\$ 499,144

Nature of Operations and Continuance of Business

**6 Months Ended
Nov. 30, 2012**

[Nature of Operations and
Continuance of Business \[Text
Block\]](#)

1. Nature of Operations and Continuance of Business

Buckingham Exploration Inc. (the "Company") was incorporated in the State of Nevada on April 4, 2006. The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company's principal business is the acquisition and exploration of mineral properties.

On August 9, 2010, the Company incorporated 0887717 B.C. Ltd., a wholly-owned subsidiary in British Columbia, Canada.

Going Concern

**6 Months Ended
Nov. 30, 2012**

[Going Concern \[Text Block\]](#)

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues since inception and has not paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at November 30, 2012, the Company has working capital of \$188,554 and an accumulated deficit of \$8,869,027. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at November 30, 2012, the Company had \$139,211 cash in the bank. The Company requires a minimum of \$200,000 to proceed with their plan of operations over the next twelve months. If they achieve less than the full amount of financing that they require they will scale back planned exploration activities and day to day operations in order to reduce exploration expenses and general and administrative expenses to a level appropriate to the financial resources available. There can be no assurance that the Company will be able to raise sufficient funds to pay the expected operating expenses for the next twelve months.

Consolidated Balance Sheets
(Unaudited) [Parenthetical]
(USD \$)

Nov. 30, 2012 **May 31, 2012**

<u>Property and Equipment, net accumulated depreciation (in dollars)</u>	\$ 2,712	\$ 1,893
<u>Preferred Stock, shares authorized</u>	20,000,000	20,000,000
<u>Preferred Stock, par value (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Preferred Stock, shares issued</u>	0	0
<u>Preferred Stock, shares outstanding</u>	0	0
<u>Common Stock, shares authorized</u>	300,000,000	300,000,000
<u>Common Stock, par value (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Common Stock, shares issued</u>	78,769,712	76,019,712
<u>Common Stock, shares outstanding</u>	78,769,712	76,019,712

Share Purchase Warrants 6 Months Ended
(Narrative) (Details) (USD \$) Nov. 30, 2012
[Share Purchase Warrants 1](#) \$ 0

**Document and Entity
Information**

6 Months Ended

Nov. 30, 2012

Jan. 14, 2013

Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	Nov. 30, 2012	
Trading Symbol	bukx	
Entity Registrant Name	Buckingham Exploration Inc.	
Entity Central Index Key	0001376804	
Current Fiscal Year End Date	--05-31	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		78,769,712
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Well Known Seasoned Issuer	No	
Document Fiscal Year Focus	2013	
Document Fiscal Period Focus	Q2	

Commitments (Narrative) 6 Months Ended
(Details) Nov. 30, 2012

[Commitments 1](#)

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Consolidated Statements of Expenses (Unaudited) (USD \$)	3 Months Ended		6 Months Ended		80 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Expenses					
<u>General and administrative</u>	\$ 35,546	\$ 171,697	\$ 202,297	\$ 216,887	\$ 2,877,983
<u>Exploration mineral property costs</u>	7,106	31,062	7,106	31,062	183,326
<u>Professional fees</u>	10,402	17,044	31,154	35,056	697,265
<u>Total Expenses</u>	53,054	219,803	240,557	283,005	3,758,574
<u>Net Loss Before Other Expenses</u>	(53,054)	(219,803)	(240,557)	(283,005)	(3,758,574)
Other Income (Expenses)					
<u>Interest income</u>	0	0	0	0	2,276
<u>Miscellaneous income</u>	0	0	0	0	1,467
<u>Interest expense</u>	0	0	0	0	(59,588)
<u>Accretion of convertible debenture discount</u>	0	0	0	0	(31,396)
<u>Gain on disposal of property and equipment</u>	0	0	0	0	7,277
<u>Total Other Income (Expenses)</u>	0	0	0	0	(79,964)
<u>Net Loss From Continuing Operations</u>	(53,054)	(219,803)	(240,557)	(283,005)	(3,838,538)
<u>Results from discontinued operations</u>	0	0	0	0	(5,030,489)
<u>Net Loss</u>	\$ (53,054)	\$ (219,803)	\$ (240,557)	\$ (283,005)	\$ (8,869,027)
<u>Net Loss Per Share - Basic and Diluted</u>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
<u>Weighted Average Shares Outstanding</u>	78,770,000	64,552,000	78,018,000	60,631,000	

Commitments

**6 Months Ended
Nov. 30, 2012**

[Commitments \[Text Block\]](#)

7. Commitments

On January 13, 2012, the Company entered into a Strategic Alliance Agreement with Mining Plus (Pty) Ltd. (“Mining Plus”), pursuant to which the Company and Mining Plus agreed to cooperate in respect of project generation and review and the development of projects once identified, as well as consider how best to exploit common interests and derive the potential benefits arising from such common interests.

The Company leases premises, at the rate of \$476 per month, located at Suite 418-831 Royal Gorge Blvd, Canon City, Colorado 81212, from where the Company oversees its business activities.

Share Purchase Warrants

**6 Months Ended
Nov. 30, 2012**

[Share Purchase Warrants \[Text Block\]](#) 6. Share Purchase Warrants

A summary of the Company's outstanding common share purchase warrants as at November 30, 2012 is presented below:

Number of Warrants	Exercise Price	Expiration Date
7,500,000	\$0.10	February 11, 2013
17,500,000	\$0.10	February 11, 2013
25,000,000		

As at November 30, 2012, the aggregate intrinsic value of the common share purchase warrants was \$0.

**Schedule of Stockholders'
Equity Note, Warrants or
Rights (Details) (USD \$)**

**6 Months Ended
Nov. 30, 2012**

Share Purchase Warrants Schedule Of Stockholders' Equity Note, Warrants Or Rights 1	\$ 7,500,000
Share Purchase Warrants Schedule Of Stockholders' Equity Note, Warrants Or Rights 2	0.10
Share Purchase Warrants Schedule Of Stockholders' Equity Note, Warrants Or Rights 3	17,500,000
Share Purchase Warrants Schedule Of Stockholders' Equity Note, Warrants Or Rights 4	0.10
Share Purchase Warrants Schedule Of Stockholders' Equity Note, Warrants Or Rights 5	\$ 25,000,000

Related Party Transactions **6 Months Ended**
and Balances (Narrative) **Nov. 30, 2012**
(Details) (USD \$)

Related Party Transactions And Balances 1	\$ 5,228
Related Party Transactions And Balances 2	32,000
Related Party Transactions And Balances 3	65,504
Related Party Transactions And Balances 4	\$ 10,000

**Share Purchase Warrants
(Tables)**

**6 Months Ended
Nov. 30, 2012**

[Schedule of Stockholders' Equity Note, Warrants or Rights \[Table Text Block\]](#)

Number of Warrants	Exercise Price	Expiration Date
7,500,000	\$0.10	February 11, 2013
17,500,000	\$0.10	February 11, 2013
25,000,000		

**Going Concern (Narrative) 6 Months Ended
(Details) (USD \$) Nov. 30, 2012**

Going Concern 1	\$ 188,554
Going Concern 2	8,869,027
Going Concern 3	139,211
Going Concern 4	\$ 200,000

Common Stock (Narrative) 6 Months Ended
(Details) (USD \$) Nov. 30, 2012

Common Stock 1	2,750,000
Common Stock 2	\$ 286,458
Common Stock 3	240,625
Common Stock 4	\$ 45,833

**Consolidated Statements of
Cash Flows (Unaudited)
(USD \$)**

	6 Months Ended		80 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
<u>Operating Activities</u>			
Net loss	\$ (240,557)	\$ (283,005)	\$ (8,869,027)
<u>Adjustments to reconcile net loss to net cash used in operating activities</u>			
<u>Accretion of convertible debenture discount</u>	0	0	31,396
<u>Amortization</u>	819	500	2,712
<u>Shares issued for mineral property costs</u>	0	22,500	2,323,600
<u>Impairment of mineral property costs</u>	0	0	2,230,125
<u>Stock-based compensation</u>	45,833	0	718,953
<u>Gain on disposal of property and equipment</u>	0	0	(7,277)
<u>Loss from discontinued operations</u>	0	0	37,785
<u>Changes in operating assets and liabilities</u>			
<u>Accounts payable and accrued liabilities</u>	(87,667)	3,514	599,198
<u>Advances</u>	(55,504)	0	(55,504)
<u>Other receivables</u>	(1,413)	1,357	(4,152)
<u>Prepaid expenses and other current assets</u>	(100)	(11,921)	(21,143)
<u>Due to related parties</u>	2,450	(102,158)	(197,001)
<u>Net Cash Used in Operating Activities</u>	(336,139)	(369,213)	(3,210,335)
<u>Investing Activities</u>			
<u>Acquisition of mineral properties</u>	0	0	(2,230,125)
<u>Acquisition of property and equipment</u>	(1,273)	(1,933)	(89,969)
<u>Proceeds from disposition of subsidiaries</u>	0	0	32,970
<u>Proceeds from disposal of property and equipment</u>	0	0	24,777
<u>Proceeds from disposal of property and equipment in discontinued operations</u>	0	0	12,496
<u>Net Cash Used in Investing Activities</u>	(1,273)	(1,933)	(2,249,851)
<u>Financing Activities</u>			
<u>Advances from related parties</u>	0	0	196,671
<u>Repayments to related parties</u>	0	0	(59,026)
<u>Proceeds from notes payable</u>	0	0	61,694
<u>Repayment of note payable</u>	0	0	(73,362)
<u>Proceeds from loans payable</u>	0	0	387,218
<u>Repayment of loans payable</u>	0	0	(25,000)
<u>Proceeds from the issuance of common stock</u>	0	715,000	5,278,352
<u>Proceeds from common stock subscription</u>	30,000	0	40,350
<u>Share issuance costs</u>	0	0	(207,500)
<u>Net Cash Provided by Financing Activities</u>	30,000	715,000	5,599,397
<u>(Decrease) Increase In Cash</u>	(307,412)	343,854	139,211
<u>Cash - Beginning of Period</u>	446,623	64,753	0
<u>Cash - End of Period</u>	139,211	408,607	139,211

Non-Cash Investing and Financing Activities:

<u>Subscription receivable</u>	0	0	30,000
<u>Convertible debt issued to settle loans payable</u>	0	0	350,000
<u>Convertible debt issued to settle related party advances</u>	0	0	150,000
<u>Common stock issued for mineral property acquisitions</u>	0	0	2,201,100
<u>Common stock issued for finders fee</u>	0	0	100,000
<u>Common stock issued for services</u>	240,625	0	412,625
<u>Disposal of property and equipment for debt settlement</u>	0	0	16,952
<u>Conversion of debt to stock</u>	0	0	66,332
<u>Issuance of stock for settlement of accrued interest</u>	0	0	477,661

Supplemental Disclosures:

<u>Interest paid</u>	0	0	21,897
<u>Income tax paid</u>	\$ 0	\$ 0	\$ 0

Common Stock

**6 Months Ended
Nov. 30, 2012**

[Common Stock \[Text Block\]](#) 5. Common Stock

On July 20, 2012, the Company issued an aggregate of 2,750,000 shares of common stock with a fair value of \$286,458 to certain directors, officers and employees as compensation for services rendered from January 1, 2012 through June 30, 2012. The company recognized expense of \$240,625 for the period from January 1, 2012 through May 31, 2012 during prior year while the remaining \$45,833 was expensed during the current period ended November 30, 2012.