Condensed Interim Consolidated Financial Statements

(unaudited)

June 30, 2012

ISKANDER ENERGY CORP.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

Unaudited (thousands of United States dollars)

	Note	June 30, 2012	December 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents		7,315	7,480
Short term investments		6,744	6,777
Financial assets at fair value through profit and loss		2,737	2,056
Accounts receivable	3	1,677	1,545
		18,473	17,858
Non-current assets			
Exploration and evaluation assets	4	11,135	7,706
Property, plant and equipment		1,858	1,678
Investment in joint ventures	5	14,512	12,185
		27,505	21,569
Total assets		45,978	39,427
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	6	3,265	2,348
		3,265	2,348
Non-current liabilities			
Long term loans & other liabilities	7	12,158	8,496
Decommissioning liabilities		173	170
		12,331	8,666
Shareholders' equity			
Share capital	8 (a)	42,902	66,335
Contributed surplus	8 (b)	33,781	4,796
Broker warrants	8 (c)	1,261	1,185
Accumulated other comprehensive income		(1,294)	-
Deficit		(47,399)	(44,916)
Equity attributable to Iskander shareholders		29,251	27,400
Non-controlling interest		1,131	1,013
Total equity		30,382	28,413
Total liabilities and shareholders' equity		45,978	39,427

The notes form an integral part of these condensed interim consolidated financial statements.

ISKANDER ENERGY CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited (thousands of United States dollars)

	Notes	Three months ended June 30 2012	Three months ended June 30 2011	Six months ended June 30 2012	Six months ended June 30 2011
Revenue			-		-
Finance income		22	26	91	26
Total revenue and finance income		22	26	91	26
Administrative expenses		879	3,370	2,365	4,037
Share-based compensation	8 (b)	108	60	445	504
Transaction expense		-	17,375	-	17,375
Exploration expense		-	405	-	405
Foreign exchange loss (gain)		(484)	445	(459)	512
Finance expense and other		2	(6)	4	(6)
Share of loss from joint venture		64	-	63	-
Total expenses		569	21,649	2,418	22,827
Loss before tax		(547)	(21,623)	(2,327)	(22,801)
Income tax expense		-	-	-	-
Net loss for the period		(547)	(21,623)	(2,327)	(22,801)
Foreign currency translation loss of foreign operations		(1,294)	-	(1,294)	-
Other comprehensive income (loss) for the period		(1,294)	-	(1,294)	-
Comprehensive income (loss) for the period		(1,841)		(3,621)	
Loss (gain) attributable to non-controlling interest		(179)	84	(118)	84
Loss and comprehensive loss attributable to Iskander shareholders		(2,020)	(21,539)	(3,739)	(22,717)
Basic and diluted loss per share	8 (d)	$ (0.04)	$ (0.50)	$ (0.06)	$ (0.73)

The notes form an integral part of these condensed interim consolidated financial statements.

ISKANDER ENERGY CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

For six months ended June 30, 2012 and June 30, 2011

Unaudited (thousands of United States dollars)

	2012	2011
Share Capital		
Balance, beginning of period	66,335	4,648
Shares issued net of issuance cost	3,445	36,491
Shares cancelled	(26,666)	-
Repurchase of shares	(212)	-
Balance at June 30,	42,902	41,139
Contributed Surplus		
Balance, beginning of period	4,796	-
Shares cancelled	26,665	-
Shareholder's contribution	2,005	-
Repurchase of stock options	(30)	-
Share-based compensation	345	504
Balance at June 30,	33,781	504
Broker Warrants		
Balance, beginning of period	1,185	-
Warrants issued	76	591
Balance at June 30,	1,261	591
Accumulated Other Comprehensive Income		
Balance, beginning of period	-	-
Foreign currency translation adjustment on foreign operations	(1,294)	-
Balance at June 30,	(1,294)	-
Deficit		
Balance, beginning of period	(44,916)	(4,650)
Net (loss) for the period	(2,327)	(22,783)
Repurchase of shares	(38)	-
Loss (gain) attributable to non-controlling interest	(118)	84
Balance at June 30,	(47,399)	(27,349)
Equity attributable to Iskander Energy Corp. shareholders	29,251	14,885

Non-controlling interest		
Balance, beginning of period	1,013	-
Corporate acquisition	-	1,077
Loss attributable to non-controlling interest	118	(84)
Balance at June 30,	1,131	993
Total Equity	30,382	15,878

The notes form an integral part of these condensed interim consolidated financial statements.

ISKANDER ENERGY CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2012 and June 30, 2011

Unaudited (thousands of United States dollars)

	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(2,327)	(22,801)
Adjustments for:		
Share of loss from joint venture	63	-
Share-based compensation	445	504
Depreciation and accretion	4	-
Non-cash transaction expense	-	20,148
Unrealized foreign exchange loss	(469)	512
Income adjusted for non-cash items	(2,284)	(1,637)
(Increase) in accounts receivables	(133)	(712)
(Decrease) in trade and other payables	317	1,348
Net cash from operating activities	(2,100)	(1,001)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries and joint ventures	(168)	(2,000)
Settlement of carried interest liability	(216)	-
Capital expenditures in property, plant and equipment	(180)	-
Capital expenditures in exploration and evaluation assets	(2,453)	(418)
Issuance of promissory notes	(681)	(2,346)
Short term investments	34	(8,301)
Net cash used in investing activities	(3,664)	(13,065)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares	3,631	18,796
Shareholder’s contribution	2,005	-
Share issue expense	(210)	(1,844)
Repurchase of shares	(250)	-
Repurchase of stock options	(31)	-
Long term loans & other liabilities	502	1,100
Net cash used in financing activities	5,647	18,052
Effect of exchange rate on cash and cash equivalents	(48)	(512)
Increase in cash and cash equivalents	(165)	3,474
Cash and cash equivalents at beginning of period	7,480	-
Cash and cash equivalents at June 30	7,315	3,474

The notes form an integral part of these condensed interim consolidated financial statements.

1 Corporate Information

The condensed interim consolidated financial statements of Iskander Energy Corp. ("Iskander" or the "Company") for the three and six month period ended June 30, 2012 are comprised of Iskander and its subsidiaries (together the Company). The Company is engaged in the exploration for and ultimately the development and production of oil and natural gas from its licensed properties in Central Eastern Europe (Ukraine, Bulgaria and Poland). As at June 30, 2012, the Company is in the process of determining and quantifying its resources. To the date of these financial statements, the Company has incurred exploration and evaluation costs in respect of mineral licenses but has not incurred any costs with respect to developing any mineral properties.

Iskander Energy Corp. is a privately held company, incorporated and domiciled in Canada. Its head office is at, 400, 333 11th Avenue S.W., Calgary, Alberta T2R 1L9. The Company was incorporated on November 29, 2010, under the laws of the Province of Ontario.

2 Basis of Presentation

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting of International Financial Reporting Standards (“IFRS”).

On November 13, 2012 the Board of Directors approved the condensed interim consolidated financial statements.

b) Change in functional currency

The functional currency of Company has been changed from USD to Canadian dollars. The Company’s presentation currency remains USD in order to facilitate a better comparison to other international oil and gas companies. The functional currency of the Company’s Ukrainian subsidiaries and jointly controlled Bulgarian entity has been changed from USD to Ukrainian Hryvnia and Bulgarian Lev respectively. The change in functional currency has been adopted as the Company is of the opinion that changed functional currencies best reflect the primary economic environment in which the entities operate.

In accordance with IAS 21 this change has been applied prospectively from April 1, 2012. In preparing the Company’s consolidated financial statements, the financial statements of each entity are translated directly into the presentation currency of the Company. The assets and liabilities of entities with functional currency other than the Company’s presentation currency are translated into U.S. dollars at the period-end exchange rate. The income and expenses are translated using average foreign exchange rates for the period. Translation gains and losses are included in other comprehensive income

c) Accounting policies and disclosures

In preparing these condensed interim consolidated financial statements, the management has applied the same accounting policies and estimates as outlined in the Company’s consolidated financial statements for the year ended December 31, 2011. Certain information and disclosures normally included in the notes to the consolidated annual financial statements have been condensed or have been disclosed on an annual basis only. The condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

There are no new IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Company.

3 Accounts Receivable

	June 30, 2012	December 31, 2011
Due from RSG (Bulgaria)	443	440
Trade receivables	182	112
VAT receivables	998	863
Prepayments	54	130
	1,677	1,545

4 Exploration and Evaluation Assets

Balance at January 1, 2011	-
Additions	4,140
Abandonment costs	170
Corporate acquisition	3,396
Balance, December 31, 2011	7,706
Additions	661
Joint interest acquisition (i)	1,263
Joint interest acquisition (ii)	1,505
Balance, June 30, 2012	11,135

a) Acquisition of Joint Interest - Ukraine

(i) IUD block

On March 20, 2012 the Company acquired a joint interest in the IUD license, as the Operator, from Industrial Union of Donbas Corporation ("IUD"), through a Joint Activity Agreement (JAA) as licenses are non-transferrable in Ukraine until such time that a production license is granted in the name of the Operator.

The terms of the deal are to complete and fund a work program including new wells and work-overs. As a result of fulfilling the above work program and payments, the Company will earn a 95% interest in the license (see also Note 4 a) (iii). During the six months ended June 30, 2012 the Company incurred $400,000 as part of the agreement with a further $500,000 payable in subsequent periods upon obtaining a production license.

(ii) EcoMethan block

On June 21, 2012, the Company signed a joint activity agreement on the EcoMethan license. The terms of the deal are to complete and fund a work program including new wells and cash payments of $750,000 which are split between closing of the agreement and upon obtaining a production license. As at June 30, 2011, the Company has accrued $612,500 of the agreed $750,000 payment with the remaining $250,000 to be paid upon obtaining a production license. As a result of fulfilling the above work program and payments, the Company will earn a 90% interest in the license (see also Note 4 a) (iii).

(iii) Renegotiation of IUD and EcoMethan MOU's

During the six months period ended June 30, 2012, the Company was able to renegotiate key terms of the IUD and EcoMethan agreements with an unrelated third party. In exchange for staged payments totaling $750,000 and an agreement to issue 500,000 common shares of Iskander in the fourth quarter of 2012 upon receipt of all final documentation, the Company was able to increase its earned interest the IUD and EcoMethan licenses from 61.75% to 95% and 58.5% to 90% respectively.

5 Investment in joint ventures

	June 30, 2012	December 31, 2011
RSG (Bulgaria) (i)	11,344	12,185
Karbona Energo LLC (Ukraine) (ii)	3,168	-
	14,512	12,185

(i) Investment in RSG (Bulgaria)

Subsequent to the investment in joint venture in RSG, the Government of Bulgaria introduced a temporary moratorium on all fracing and stimulation activities until such time that adequate environmental and regulatory processes and approvals can be developed. Based on discussion with government officials and public announcements, the Company currently expects that the moratorium is temporary in nature. In the event of a permanent moratorium on fracing and stimulation, future oil and gas investment in Bulgaria would be limited and the carrying value of the Company's investment would be reassessed for impairment at that time.

During the period, the devaluation of the Bulgarian Lev resulted in an $0.8 million exchange loss which was recognized in other comprehensive income.

(ii) Investment in Karbona Energo LLC (Ukraine)

On April 27, 2012, the Company agreed to enter into a shareholder agreement as part of the transaction to acquire 51% of Karbona Energo LLC, a company registered in Ukraine which holds the Karbona license. The terms of the deal are to drill two shallow wells to earn 51% with an option, to the Company, to earn an additional 9% by completing the drilling of a third deep well. The fair value of this option is measured using the Black-Scholes option pricing model. Measurement inputs include the estimated fair value of the joint venture on measurement date, exercise price of the option, expected future volatility of the joint ventures fair value and the risk-free interest rate (based on Government of Canada Bonds) for the term of the option. The fair value of this option was determined to be nominal and therefore it was not recognized as a financial asset as at June 30, 2012.

The acquisition of Karbona includes rights granted to the vendor which require their agreement on key business decision. As a result of these rights, Iskander's ownership of Karbona was accounted for as a jointly controlled entity by applying equity method of accounting as at June 30, 2012.

Iskander's share of the aggregated financial information of equity accounted joint venture is set out below. The amounts for the six months period ended June 30, 2012 include the share of results in Karbona from April 2, 2012, at which time Iskander acquired its interest in the joint venture.

	June 30, 2012	December 31, 2011
Current assets	7	-
Long-term assets	3,179	-
Current liabilities	18	-
Long-term liabilities	-	-
Income	17	-
Expenses	13	-

6 Trade and Other Payables

	June 30, 2012	December 31, 2011
Trade payables	354	1,452
Current portion of carried interest liability – note 7	360	366
Accruals	2,551	530
	3,265	2,348

Accrued liabilities include a provision of $1 million representing the fair value of 500,000 shares to be issued during the fourth quarter of 2012 related to the IUD and EcoMethan blocks (see Note 4 a) (iii).

7 Long Term Loans and Other Liabilities

	June 30, 2012	December 31, 2011
Carried interest liability (i)	9,582	6,797
Long term loan	2,201	1,699
Other liabilities	375	-
	12,158	8,496

Long-term loans represent the loans made by the non-controlling partner to Eurogas Polska with a five year term and 5% per annum interest.

(i) Carried interest liability (investment in joint venture)

	Bulgaria	Ukraine	Total liability
Balance, January 1, 2011	-	-	-
Obligation for investment in RSG - Bulgaria	6,797	-	6,797
Balance, December 31, 2011	6,797	-	6,797
Obligation for investment in Karbona – note 5	-	3,168	3,168
Settlement of liability	(207)	(176)	(383)
Balance, June 30, 2012	6,590	2,992	9,582

8 Share Capital

a) Issued and outstanding common shares

	Number of shares	Amount
Balance, January 1, 2011 (i)	19,000,100	4,648
Issued for cash via subscription agreements (ii)	44,052,415	39,668
Issued for services and transactions (iii)	23,083,333	24,594
Issued for investment in joint venture	1,333,333	2,019
Issued for cash – exercise of options and warrants	176,666	76
Allocation of fair value – exercise of options and warrants	-	39
Share issuance costs	-	(4,709)
Balance, December 31, 2011	87,645,847	66,335
Issued for cash via subscription agreements (ii)	1,840,000	3,631
Issued for consulting services (iv)	50,000	100
Issued for nil consideration (ii)	996,076	-
Cancelled shares (v)	(31,333,434)	(26,666)
Repurchased shares (vi)	(250,000)	(212)
Share issuance costs	-	(286)
Balance, June 30, 2012	58,948,489	42,902

The Company has authorized an unlimited number of voting common shares without nominal or par value.

(i) Founders shares

During 2010, the Company issued 19,000,100 founders shares with fair value of $0.25 per share.

(ii) Issued for cash via subscription agreements

The following offerings of shares were completed via subscription agreements.

	Number of shares	Price per share (CAD)	Proceeds (USD)
March 2011	6,020,000	$0.25	1,537
April 2011	25,603,917	$0.75	18,286
August 2011 [1]	9,960,998	$1.50	15,056
November 2011	2,467,500	$2.00	4,789
Balance, December 31, 2011	44,052,415		39,668
January – March 2012	1,012,500	$2.00	2,004
April - June 2012	827,500	$2.00	1,627
Balance, June 30, 2012	45,892,415		43,299

[1] Shares issued under subscription agreement included a provision for additional 10% common shares, if an Initial public offering was not completed by February 2012. As a result of the Company not completing an initial public offering, 996,076 common shares were issued during the first quarter of 2012 for no additional proceeds.

(iii) Issued for services and transactions

The following offerings of shares were issued for services and as compensation for acquisitions:

	Number of shares	Transaction expense
Bulgaria assets	6,500,000	10,117
Ukraine assets	11,500,000	10,810
Consulting Services	5,083,333	3,667
Balance, December 31, 2011	23,083,333	24,594

During the six months ended June 30, 2012 the terms of transactions and services were adjusted (see note 8 a) (v) – cancelled shares).

(iv) Share based compensation

During the six months ended June 30, 2012, 50,000 common shares were issued for nil consideration as part of board and management change which was completed in December 2011. Shares were issued at fair value of CAD $2.00 per share and $100,000 was recorded as share based compensation on the statement of comprehensive income.

(v) Cancelled shares

Effective December 16, 2011, the Company introduced a new Board of Directors and senior executives. During the six months ended June 30, 2012, the new Board of Directors and senior executives were able to enter into agreements which resulted in the renegotiation of share-based transaction costs recognized in 2011 and 2010 for services provided, primarily in conjunction with corporate and property acquisitions. As a result, 31.3 million common shares were returned to the Company for nil cash compensation along with an injection of capital of $2.0 million. For financial statements reporting, shares were cancelled at a weighted average price of $0.81 of the issued and outstanding common shares as at December 31, 2011. Total expensed costs related to these shares were $24.6 million. $4.6 million was recorded for the year ended December 31, 2010 and $19.9 million for the year ended December 31, 2011. In addition, 3.3 million stock options, granted during 2011 were returned to the Company.

(vi) Repurchased shares

During the six months ended June 30, 2012, 250,000 shares were repurchased from an unrelated party at a share price of $1.00 which involved a member of the board of directors who facilitated the transaction and therefor constitutes a related party transaction. The excess price paid over the average price per share cancelled during the quarter has been charged to retained earnings.

b) Stock options

The Company has a stock option plan which provides for the issuance of options to the Company's directors, officers, employees and consultants to acquire common shares. The options have vesting schedules that either vest immediately or over a two-year period and expire between 3 - 5 years from the date of grant.

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2010	-	-
Granted	16,975,000	$0.97
Exercised	(66,666)	$0.75
Balance, December 31, 2011	16,908,334	$0.98
Cancelled	(4,800,000)	$0.52
Cancelled as part of settlement	(100,000)	$0.75
Balance, June 30, 2012	12,008,334	$1.16

During the six months period ended June 30, 2012, the Company cancelled 4.9 million fully vested stock options. 3.3 million were returned to the Company as result of the agreement described in note 8 a) (v), and remaining 1.6 million were cancelled due to termination of employment.

As part of a separate settlement agreement with one of the former consultants, the Company made a payment of $60,000 as consideration for amounts owning under the contract and 100,000 stock options were returned to the Company.

For the three and six months ended June 30, 2012, the Company recorded $108,000 and $345,000, respectively (2011 –$60,000 and $504,000) as share-based compensation on the consolidated statement of comprehensive income related to the granting of stock options.

Stock options outstanding and the weighted average remaining life of the stock options at June 30, 2012 are as follows:

	Options outstanding			**Options Vested**
	Number of options	Weighted average remaining life (years)	Weighted average exercise price (CAD)	Number of options
$0.25	750,000	3.74	$0.25	750,000
$0.75	4,833,334	4.05	$0.75	3,333,334
$1.50 - $2.00	6,425,000	4.45	$1.58	2,425,003
	12,008,334	4.24	$1.16	6,508,337

c) Broker warrants

During the six months ended June 30, 2012, the Company raised funds via subscription agreements which provided for finder's fee compensation in the form of cash and warrants. The warrants have a two year life and have an exercise price equal to that of the shares which they relate to.

	Number of warrants	**Weighted average exercise price (CAD)**
Balance, December 31, 2010	-	-
Granted	3,625,549	$0.90
Exercised	(110,000)	$0.25
Balance, December 31, 2011	3,515,549	$0.91
Granted on issuance of additional shares – note 8 a) (i) (ii)	79,688	$1.50
Granted	114,800	$2.00
Balance, June 30, 2012	3,710,037	$0.96

For the three and six months ended June 30, 2012, the Company recorded $25,000 and $76,000, respectively (2011 - $535,000 and $591,000) as share issue costs which are shown as a net adjustment to share capital on the consolidated balance sheet.

Broker warrants outstanding and the weighted average remaining life of the broker warrants at June 30, 2012 are as follows:

	Warrants outstanding		
	Number of warrants	Weighted average remaining life (years)	Weighted average exercise price (CAD)
$0.25	492,000	0.73	$0.25
$0.75	2,048,269	1.01	$0.75
$1.50 - $2.00	1,169,768	1.33	$1.63
	3,710,037	1.07	$0.96

The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2012	June 30, 2011
Risk-free interest rate (%)	1.0%	1.6%
Expected life (years)	2	2
Expected volatility (%)	65%	65%
Expected dividends	-	-

The weighted average fair value at the grant date for the six months ended June 30, 2012 was CAD $0.34 per warrant (June 30, 2011 - $0.23). Broker warrants are recorded as share issue expense based on the estimated fair value at the grant date.

d) Loss per share

The following table shows the calculation of basic and diluted loss per share for the periods:

	Three months ended		Six months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Loss for the period	(2,020)	(21,539)	(3,739)	(22,717)
Weighted average number of common shares	58,375	42,724	68,563	31,255
Basic and diluted loss per share	(0.04)	(0.50)	(0.06)	(0.73)

As at June 30, 2012, the weighted average number of common shares does not include potentially dilutive instruments of 12,008,334 stock options and 3,710,037 broker warrants.

9 Capital Management

The Company's policy is to maintain a strong capital base in order to provide flexibility in the future development of the business and maintain the confidence of investors and capital markets.

The Company manages its capital to achieve the following:

- Maintain balance sheet strength in order to meet the Company's strategic growth objectives; and
- Ensure financial capacity is available to fund the Company's exploration commitments.

As at June 30, 2012, the Company's net working capital was $15.2 million (December 31, 2011 – $15.5 million), largely attributable to the equity offerings completed via subscription agreements during 2011 and 2012.

Iskander has the ability to adjust its capital structure by issuing new equity, issuing debt, utilizing farm-out arrangements and making adjustments to its capital expenditure program to the extent the capital expenditures are not committed. The Company's working capital is in excess of its 2012 commitments and the Company has no bank debt. The Company considers its capital structure at this time to include shareholders equity.

10 Financial Instruments and Risk Management

The Company has exposure to credit, liquidity and foreign currency risk from its use of financial instruments and investment in foreign operations.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statement; they should be read in conjunction with the Company's financial statements as at December 31, 2011. There have been no changes in the Company's approach to risk management since year end or in any risk management policies.

The Board of Directors has overall responsibility for identifying the principal risks of the Company and ensuring the policies and procedures are in place to appropriately manage these risks. Iskander's management identifies, analyze and monitors risks and considers the implication of the market condition in relation to the Company's activities.

11 Segmented information

The Company has foreign subsidiaries and the following segmented information is provided:

As at and for three months ended June 30, 2012	***Canada***	***Poland***	***Ukraine***	***Bulgaria***	***Total***
Revenue	-	-	-	-	-
Salaries and wages	311	-	134	-	445
Consulting fees	38	-	4	-	42
Travel expenses	88	-	3	-	91
Professional legal fees	141	1	4	-	146
Miscellaneous	100	1	54	-	155
Administrative expenses	678	2	199	-	879
Share-based compensation	108	-	-	-	108
Foreign exchange (gain)/losses	86	(559)	(11)	-	(484)
Share of loss from equity investment	-	-	1	63	64
Finance income	(22)	-	-	-	(22)
Finance expense and other	-	1	1	-	2
Net income (loss)	(850)	556	(190)	(63)	(547)
Non-current assets	1,811	8,277	6,073	11,344	27,505
Capital expenditures (1)	49	78	2,735	-	2,862
Total assets	19,199	9,276	6,132	11,371	45,978

As at and for three months ended June 30, 2011	**Canada**	**Poland**	**Ukraine**	**Bulgaria**	**Total**
Revenue	-	-	-	-	-
Salaries and wages	20	-	-	-	20
Consulting fees	2,656	-	-	-	2,656
Travel expenses	271	-	-	-	271
Professional legal fees	350	25	6	-	381
Miscellaneous	24	18	-	-	42
Administrative expenses	3,321	43	6	-	3,370
Share-based compensation	60	-	-	-	60
Transaction costs	17,375	-	-	-	17,375
Exploration expenses	405	-	-	-	405
Foreign exchange (gain)/losses	240	205	-	-	445
Finance income	(26)	-	-	-	(26)
Finance expense and other	-	(6)	-	-	(6)
Net income (loss)	(21,375)	(242)	(6)	-	(21,623)
Non-current assets	-	3,815	-	-	3,815
Capital expenditures	-	3,815	-	-	3,815
Total assets	14,324	4,544	21	-	18,889

As at and for six months ended June 30, 2012	***Canada***	***Poland***	***Ukraine***	***Bulgaria***	***Total***
Revenue	-	-	-	-	-
Salaries and wages	845	-	383	-	1,228
Consulting fees	38	-	88	-	126
Travel expenses	184	-	3	-	187
Professional legal fees	330	45	22	-	397
Miscellaneous	332	2	93	-	427
Administrative expenses	1,729	47	589	-	2,365
Share-based compensation	445	-	-	-	445
Foreign exchange (gain)/losses	(37)	(420)	(2)	-	(459)
Share of loss from equity investment	-	-	1	62	63
Finance income	(91)	-	-	-	(91)
Finance expense and other	-	3	1	-	4
Net income (loss)	(2,046)	370	(589)	(62)	(2,327)
Non-current assets	1,811	8,277	6,073	11,344	27,505
Capital expenditures (1)	138	571	2,900	-	3,609
Total assets	19,199	9,276	6,132	11,371	45,978

As at and for six months ended June 30, 2011	**Canada**	**Poland**	**Ukraine**	**Bulgaria**	**Total**
Revenue	-	-	-	-	-
Salaries and wages	20	-	-	-	20
Consulting fees	3,210	-	-	-	3,210
Travel expenses	271	-	-	-	271
Professional legal fees	456	25	13	-	494
Miscellaneous	24	18	-	-	42
Administrative expenses	3,981	43	13	-	4,037
Share-based compensation	504	-	-	-	504
Transaction costs	17,375	-	-	-	17,375
Exploration expenses	405	-	-	-	405
Foreign exchange (gain)/losses	307	205	-	-	512
Finance income	(26)	-	-	-	(26)
Finance expense and other	-	(6)	-	-	(6)
Net income (loss)	(22,546)	(242)	(13)	-	(22,801)
Non-current assets	-	3,815	-	-	3,815
Capital expenditures	-	418	-	-	418
Total assets	14,324	4,544	21	-	18,889

(1) Capital expenditures include cash and non-cash transactions.

12 Subsequent Events

Subsequent to June 30, 2012, the Company has raised CAD $1.1 million and issued 525,000 shares via subscription agreements at CAD $2 per share.