Financial Statements of

3052155 NOVA SCOTIA LIMITED

Year ended March 31, 2013

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Shareholder of 3052155 Nova Scotia Limited

We have audited the accompanying financial statements of 3052155 Nova Scotia Limited which comprise the statement of financial position as at March 31, 2013, and the statements of operations and deficit, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 3052155 Nova Scotia Limited as at March 31, 2013 and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting principles.

KPMG LLP

Chartered Accountants
June 26, 2013
Halifax, Canada

3052155 NOVA SCOTIA LIMITED

Statement of Financial Position
(in thousands of dollars)

March 31, 2013, with comparative figures for 2012

		2013		2012
Financial assets				
Cash and short-term investments	$	990	$	958
Accounts receivable		1		40
		991		998
Financial Liabilities				
Accounts payable and accrued liabilities	$	11	$	11
		11		11
Net financial assets, being accumulated surplus	$	980	$	987
Accumulated surplus is comprised of:				
Accumulated operating deficiency	$	(7,998)	$	(7,991)
Contributed surplus and share capital (note 4)		8,978		8,978
	$	980	$	987

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

3052155 NOVA SCOTIA LIMITED

Statement of Operations and Deficit
(in thousands of dollars)

Year ended March 31, 2013, with comparative figures for 2012

		2013		2012
Revenue:				
Interest income	$	8	$	8
Recovery of insurance proceeds		-		38
		8		46
Expenses:				
Office and general		15		13
Annual operating surplus (deficiency)		(7)		33
Accumulated operating deficiency, beginning of year		(7,991)		(8,024)
Accumulated operating deficiency, end of year	$	(7,998)	$	(7,991)

See accompanying notes to financial statements.

3052155 NOVA SCOTIA LIMITED

Statement of Change in Net Financial Assets
(in thousands of dollars)

Year ended March 31, 2013, with comparative figures for 2012

		2013		2012
Annual operating surplus (deficiency)	$	(7)	$	33
Change in net financial assets		(7)		33
Net financial assets, beginning of year		987		954
Net financial assets, end of year	$	980	$	987

See accompanying notes to financial statements.

3052155 NOVA SCOTIA LIMITED

Statement of Cash Flows
(in thousands of dollars)

Year ended March 31, 2013, with comparative figures for 2012

		2013		2012
Cash provided by (used in):				
Operations:				
Annual operating surplus (deficiency)	$	(7)	$	33
Change in non-cash operating working capital:				
Decrease (increase) in accounts receivable		39		(36)
Increase in accounts payable and accrued liabilities		-		3
		32		-
Increase in cash		32		-
Cash position, beginning of year		958		958
Cash position, end of year	$	990	$	958

See accompanying notes to financial statements.

3052155 NOVA SCOTIA LIMITED

Notes to Financial Statements
(in thousands of dollars)

Year ended March 31, 2013

3052155 Nova Scotia Limited (the "Company") was incorporated in 2001 for the purpose of holding and administering various assets and obligations transferred from Nova Scotia Resources Limited prior to the sale of that company's shares.

The Company operates at a deficit, however if required, the Province of Nova Scotia ("the Province") provides support to the Company allowing the Company to continue as a going concern. In the event of a future surplus from operations advances from the Province are repayable.

The financial statements of the Company are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Standards Board ("PSAB") of the Canadian Institute of Chartered Accountants.

1. Significant accounting policies:

Significant accounting policies adopted by the Company are as follows:

(a) Basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Revenue recognition:

Interest revenue is recognized on the accrual basis.

(c) Cash and short-term investments:

Cash and short-term investments are classified as held for trading and are recorded at fair value.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost unless management has elected to carry the instruments at fair value.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the less is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

1. Significant accounting policies (continued):

(e) Government transfers:

In the event a government transfer is received or paid, the transfer would relate to administering various assets and obligations on behalf of the province. Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. The Company had no government transfers during 2012 or 2013.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(g) Statement of remeasurement gain and loss:

The Company has not presented a statement of remeasurement gain and loss as the Company has no financial instruments that give rise to remeasurement gains or losses.

2. Contributed surplus:

In anticipation of the sale of the shares of Nova Scotia Resources Limited, many of the monetary items from that company, together with the obligation for site restoration for the Cohasset/Panuke Project, amounting to $8,977,000, were transferred from the Province of Nova Scotia as contributed surplus.

3. Supplemental cash flow information:

	2013	2012
Cash received:		
Interest	$ 8	$ 8
	$ 8	$ 8

4. Financial instruments:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The Company's assets are primarily exposed to credit and liquidity risk.

(i) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company is exposed to credit risk with respect to accounts receivable and cash. The Company assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Association at March 31, 2013 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations and deficit. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations and deficit. There is no allowance for doubtful accounts at March 31, 2013 and 2012. There have been no significant changes to the credit risk exposure from 2012.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice. There have been no significant changes to the liquidity risk exposure from 2012.

5. Income taxes:

As a Crown corporation, the Company is not taxable under the provisions of the Income Tax Act of Canada.