STERLING GROUP VENTURES INC
Form 10-Q
January 10, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] 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: **000-51775**

STERLING GROUP VENTURES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**72-1535634**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

308 - 1228 Marinaside Cr., Vancouver, B.C. V6Z 2W4
(Address of principal executive offices) (Zip Code)

(604) 689-4407
(Registrant s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changes since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 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 [X] 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 [X] 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ]	Smaller reporting company [X]

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of January 10, 2013.

Title of each class	**Number of shares**
Common Stock, par value $0.001 per share	75,730,341

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STERLING GROUP VENTURES, INC.
FORM 10-Q
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

STERLING GROUP VENTURES, INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
November 30, 2012 and May 31, 2012

Stated in U.S. dollars		**November 30, 2012** (Unaudited)		**May 31, 2012**
ASSETS				
Current Assets				
Cash and cash equivalents	$	2,313,698	$	1,262,278
HST receivable		10,036		20,418
Prepaid expenses and other receivable		18,243		31,629
Total current assets		2,341,977		1,314,325
Equipment - Note 4		180,520		153,392
Environmental deposit - Note 3(a)		126,808		123,990
Mineral Properties - Note 3(a)		3,148,740		3,148,740
Total Assets	$	5,798,045	$	4,740,447
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and other accrued liabilities - Note 5	$	510,239	$	476,069
Deferred income tax liability - Note 3(a)		732,687		732,687
Total Liabilities		1,242,926		1,208,756
Stockholders' Equity				
Common Stock : $0.001 Par Value - Note 6				
Authorized : 500,000,000				
Issued and Outstanding : 75,730,341 (May 31, 2012: 75,730,341		75,730		75,730
Additional Paid In Capital - Note 6		9,799,493		9,799,493
Accumulated Other Comprehensive Loss		(582)		(582)
Deficit accumulated during the exploration stage		(5,319,522)		(6,342,950)
Total Stockholders' Equity		4,555,119		3,531,691
Total Liabilities and Stockholders' Equity	$	5,798,045	$	4,740,447

See accompanying notes to unaudited interim consolidated financial statements

STERLING GROUP VENTURES, INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
For the three months and six months ended November 30, 2012 and for the period from July 27, 1994 (date of inception) to November 30, 2012
(Unaudited)

Stated in U.S. dollars	Three months ended November 30, 2012	Three months ended November 30, 2011	Six months ended November 30, 2012	Six months ended November 30, 2011	July 27, 1994 (Date of inception) to November 30, 2012
Expenses					
Accounting, audit, legal and professional fees	$ 41,163	$ 37,364	$ 69,774	$ 69,930	$ 692,771
Bank charges	585	55	842	394	3,987
Consulting fees - Note 5, 6 (b & c)	6,547	46,326	12,835	53,200	3,847,494
Depreciation - Note 4	7,496	203	11,655	378	24,765
Filing fees and transfer agent	2,047	4,790	6,865	9,146	67,628
Foreign exchange gain	(19,426)	(10,009)	(9,342)	(19,059)	(37,044)
General and administrative	605	4,114	1,094	5,543	128,061
Mineral property costs - Note 3	200,197	78,442	346,146	93,553	1,768,870
Printing and mailing	-	549	-	5,549	22,432
Shareholder information and investor relations	1,629	4,013	3,328	81,876	167,843
Travel and entertainment	151	(710)	3,120	7,833	160,875
Recovery of doubtful collection	-	-	-	-	(272,358)
Allowance for doubtful collection	-	-	-	-	246,708
	(240,994)	(165,137)	(446,317)	(308,343)	(6,822,032)
Other item					
Interest income	3,291	96	8,157	200	40,922
Other income - Note 3(b)	-	-	1,461,588	-	1,461,588
	3,291	96	1,469,745	200	1,502,510
Net income (loss) for the period	$ (237,703)	$ (165,041)	$ 1,023,428	$ (308,143)	$ (5,319,522)
	-	-	-	-	(582)

Currency translation adjustment										
Comprehensive income(loss) for the period	$	(237,703)	$	(165,041)	$	1,023,428	**$**	(308,143)	$	(5,320,104)
Basic and diluted loss per share	$	(0.00)	$	(0.00)	$	0.01	**$**	(0.00)		
Weighted average number of shares outstanding		75,730,341		75,730,341		75,730,341		73,817,773		

See accompanying notes to unaudited interim consolidated financial statements

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STERLING GROUP VENTURES, INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)
For the period from July 27, 1994 (date of inception) to November 30, 2012
(Unaudited)

Stated in U.S. dollars	Common Shares	Stock Amount At Par Value	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Deficit Accumulated During The Exploration Stage	Total
Balance, July 27, 1994 (Date of inception)	-	$ -	$ -	$ -	$ -	$ -
Common stock	1	1	-	-	-	1
Amount contributed by director	-	-	1,881	-	-	1,881
Net loss for the periods	-	-	-	-	(7,902)	(7,902)
Balance, May 31, 2001	1	$ 1	$ 1,881	$ -	$ (7,902)	$ (6,020)
Net loss of the year	-	-	-	-	(1,860)	(1,860)
Balance, May 31, 2002	1	$ 1	$ 1,881	$ -	$ (9,762)	$ (7,880)
Net loss of the year	-	-	-	-	(1,360)	(1,360)
Balance, May 31, 2003	1	$ 1	$ 1,881	$ -	$ (11,122)	$ (9,240)
Reverse acquisition	(1)	(1)	(1,881)	-	-	(1,882)
Issuance of common shares for reverse	25,000,000	25,000	(23,119)	-	-	1,881
Outstanding common shares of Company prior to acquisition	11,360,000	11,360	(10,883)	(583)	-	(106)
Issuance of shares for cash pursuant to a private placement - at $0.50	1,766,000	1,766	881,234	-	-	883,000
Stock-based compensation	-	-	368,641	-	-	368,641
Net loss of the year	-	-	-	-	(527,446)	(527,446)

Balance, May 31, 2004	38,126,000	$	38,126	$	1,215,873	$	(583)	$	(538,568)	$	714,848
Issuance of shares for cash pursuant to a private placement - at $0.50	1,950,000		1,950		973,050		-		-		975,000
Issuance of shares for finder's fee of private placement	101,500		102		50,648		-		-		50,750
Finders' fees	-		-		(50,750)		-		-		(50,750)
Issuance of shares for services rendered	100,000		100		41,900		-		-		42,000
Net loss of the year	-		-		-		-		(818,954)		(818,954)
Balance, May 31, 2005	40,277,500	$	40,278	$	2,230,721	$	(583)	$	(1,357,522)	$	912,894
Net loss for the year	-		-		-		-		(461,201)		(461,201)
Balance, May 31, 2006	40,277,500	$	40,278	$	2,230,721	$	(583)	$	(1,818,723)	$	451,693
Issuance of shares for cash pursuant to a private placement - at $0.15	2,750,300		2,750		409,795		-		-		412,545
Issuance of shares for finder's fee of private placement	123,690		124		21,522		-		-		21,646
Finders' fees	-		-		(21,646)		-		-		(21,646)
Share issuance costs	-		-		(3,687)		-		-		(3,687)
Issuance of shares for services rendered	350,000		350		48,650		-		-		49,000
Net loss for the year	-		-		-		-		(864,485)		(864,485)
Balance, May 31, 2007	43,501,490	$	43,502	$	2,685,355	$	(583)	$	(2,683,208)	$	45,066

Stated in U.S. dollars	Common Shares		Stock Amount At Par Value		Additional Paid In Capital		Accumulated Other Comprehensive Income (Loss)		Deficit Accumulated During The Exploration Stage		Total
Balance, May 31, 2007	43,501,490	$	43,502	$	2,685,355	$	(583)	$	(2,683,208)	$	45,066
Issuance of shares for services rendered at $0.06	324,685		324		19,156		-		-		19,480
Revaluation of share purchase warrants	-		-		409,525		-		-		409,525
Net loss for the year	-		-		-		-		(516,440)		(516,440)
Balance, May 31, 2008	43,826,175	$	43,826	$	3,114,036	$	(583)	$	(3,199,648)	$	(42,369)
Revaluation of share purchase warrants	-		-		83,852		-		-		83,852
Net loss for the year	-		-		-		-		(245,405)		(245,405)
Balance, May 31, 2009	43,826,175	$	43,826	$	3,197,888	$	(583)	$	(3,445,053)	$	(203,922)
Revaluation of share purchase warrants	-		-		91,704		-		-		91,704
Net loss for the year	-		-		-		-		(213,704)		(213,704)
Balance, May 31, 2010	43,826,175	$	43,826	$	3,289,592	$	(583)	$	(3,658,757)	$	(325,922)
Issuance of shares for cash pursuant to a private placement - at $0.10	20,000,000		20,000		1,980,000		-		-		2,000,000
Issuance of shares for finder's fee of private placement	752,500		752		(752)		-		-		-
Issuance of shares for exercise of "C" warrants - at	801,666		802		143,498		-		-		144,300

$0.18										
Issuance of shares for services rendered	350,000		350		80,150		-		-	80,500
Stock-based compensation	-		-		1,692,526		-		-	1,692,526
Currency translation adjustment	-		-		-		1		-	1
Net loss for the year	-		-		-		-		(1,863,448)	(1,863,448)
Balance, May 31, 2011	65,730,341	$	65,730	$	7,185,014	$	(582)	$	(5,522,205)	$ 1,727,957
Issuance of shares for acquisition of the subsidiary - at $0.22	10,000,000		10,000		2,190,000		-		-	2,200,000
Stock-based compensation	-		-		424,479		-		-	424,479
Net loss for the year	-		-		-		-		(820,745)	(820,745)
Balance, May 31, 2012	75,730,341	$	75,730	$	9,799,493	$	(582)	$	(6,342,950)	$ 3,531,691
Net income for the period							-		1,023,428	1,023,428
Balance, November 30, 2012	75,730,341	$	75,730	$	9,799,493	$	(582)	$	(5,319,522)	$ 4,555,119

See accompanying notes to unaudited interim consolidated financial statements

STERLING GROUP VENTURES, INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended November 30, 2012 and 2011 and
for the period from July 27, 1994 (date of inception) to November 30, 2012
(Unaudited)

Stated in U.S. dollars	Six months ended November 30, 2012	2011	July 27, 1994 (Date of inception) to November 30, 2012
Cash flows from operating activities			
Net income (loss) for the period	$ 1,023,428	$ (308,143)	$ (5,319,522)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Stock compensation expenses	-	40,000	3,070,727
Depreciation	11,655	378	24,765
Permit and engineering studies	-	-	150,000
Shareholder information and investor relations	-	-	100,947
Accounting, audit and legal fees	-	-	49,000
Unrealized FV adjustment on cash	(6,578)	(4,338)	(9,983)
Changes in non-cash working capital items related to operations			
GST/HST refundable	10,382	(5,692)	(10,036)
Prepaid expenses and other receivable	13,792	68,831	3,691
Accounts payable and accrued liabilities	21,893	(11,789)	577,703
Net cash used in operating activities	1,074,572	(220,753)	(1,362,708)
Cash flows from investing activities			
Advance on investment	-	-	(205,945)
Additions to equipment	(34,991)	(1,194)	(201,614)
Additions to mineral properties	-	(279,576)	(280,651)
Net change in cash held in trust	-	15,041	-
Net cash used in investing activities	(34,991)	(265,729)	(688,210)
Cash flows from financing activities			
Net proceeds on issuance of common stock	-	-	4,411,158
Amounts contributed by director	11,839	(56,181)	(46,542)
Net cash provided by (used in) financing activities	11,839	(56,181)	4,364,616
Net increase (decrease) in cash and cash equivalent	1,051,420	(542,663)	2,313,698
Cash and cash equivalents - beginning of period	1,262,278	2,095,515	-
Cash and cash equivalents - end of period	$ 2,313,698	$ 1,552,852	$ 2,313,698
Cash and cash equivalents consist of:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -
Non-cash Transactions :			
	$ -	$ -	$ 147,646

Issuance of shares for commission paid to broker for private placement						
Issuance of shares for services rendered	$	-	$	-	$	171,500
Issuance of shares for settlement of accounts payable	$	-	$	-	$	19,480
Issuance of share purchase warrants for finder's fee paid to broker for private placement	$	-	$	-	$	11,477
Issuance of shares for acquisition of the subsidiary	$	-	$	-	$	2,200,000

See accompanying notes to unaudited interim consolidated financial statements

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Sterling Group Ventures, Inc.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
November 30, 2012
(Stated in US Dollars)
(Unaudited)

Note 1 Nature of Operations and Ability to Continue as a Going Concern

Sterling Group Ventures, Inc. was incorporated in the State of Nevada on September 13, 2001 and its fiscal year-end is May 31. On January 20, 2004, the Company acquired all of the issued and outstanding shares of Micro Express Ltd. (Micro), which was incorporated on July 27, 1994. The business combination was accounted for as a reverse acquisition whereby the purchase method of accounting was used with Micro being the accounting acquirer and the Company being the accounting subsidiary. The cumulative figures are shown on a reverse acquisition basis with respect to the accounting acquirer s date of inception, July 27, 1994.

Sterling Group Ventures, Inc. (the Company) is in the exploration stage. The Company has entered into joint venture agreements to explore and develop mineral properties located in China and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts from these properties will be dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the joint venture agreements and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown as these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At November 30, 2012, the Company generated a net income of $1,023,428 during the six months ended November 30, 2012 and the cumulative loss of $5,319,522 since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company s ability to continue as a going concern. The Company s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances; however there is no assurance of additional funding being available.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Micro Express Holdings Inc., Micro Express Ltd., Huyana Ventures Limited, Makaelo Holdings Inc., Makaelo Limited, Silver Castle Investments Limited (Silver Castle) and its 100% controlled subsidiary, Chenxi County Hongyu Mining Co. Ltd. ("Hongyu"). All inter-company transactions and account balances have been eliminated.

Sterling Group Ventures, Inc.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
November 30, 2012
(Stated in US Dollars)
(Unaudited)

Note 2 Recent Accounting Pronouncements

The Company has evaluated all the recent accounting pronouncements and believes that none of them will have a material effect on the Company s consolidated financial statements.

On June 1, 2012, the Company adopted the FASB ASU 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs . This ASU is intended to result in convergence between U.S. GAAP and International Financial Reporting Standards (IFRS) requirements for measurement of and disclosures about fair value. The amendments are not expected to have a significant impact on companies applying U.S. GAAP. Key provisions of the amendment include: a prohibition on grouping financial instruments for purposes of determining fair value, except when an entity manages market and credit risks on the basis of the entity s net exposure to the group; an extension of the prohibition against the use of a blockage factor to all fair value measurements (that prohibition currently applies only to financial instruments with quoted prices in active markets); and a requirement that for recurring Level 3 fair value measurements, entities disclose quantitative information about unobservable inputs, a description of the valuation process used and qualitative details about the sensitivity of the measurements. In addition, for items not carried at fair value but for which fair value is disclosed, entities will be required to disclose the level within the fair value hierarchy that applies to the fair value measurement disclosed. The adoption of this ASU did not have a significant impact on the Company s fair value measurements, financial condition, results of operations or cash flows as the company s financial instruments carrying values approximate fair value due to their short term nature.

On June 1, 2012, the Company adopted the FASB ASU 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income . This ASU requires companies to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. It eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The standard does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. The adoption of this ASU did not have a material impact on the Company s financial statements.

Sterling Group Ventures, Inc.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
November 30, 2012
(Stated in US Dollars)
(Unaudited)

Note 3 Mineral Properties

A summary of mineral properties costs for the cumulative period from date of inception (July 27, 1994) to November 30, 2012 were incurred and accounted for in the consolidated statement of operations as follows:

Summary of mineral property expenditures	**DXC Salt Lake Property**	**Gaoping Phosphate Property**	**Total**
Balance, May 31, 2005	$ -		$ -
Administrative	5,560	-	5,560
Consulting fees	46,629	-	46,629
Engineering studies	26,933	-	26,933
Feasibility study	29,080	-	29,080
Geophysical study	31,114	-	31,114
Legal fees	623	-	623
Topography measurement	32,266	-	32,266
Travel	30,953	-	30,953
Wages and benefits	33,601	-	33,601
Balance, May 31, 2006	236,759	-	236,759
Administrative	5,200	-	5,200
Consulting fees	134,580	-	134,580
Engineering studies	38,063	-	38,063
Mining permit	382,920	-	382,920
Topography measurement	15,001	-	15,001
Legal fees	9,695	-	9,695
Travel	53,262	-	53,262
Wages and benefits	35,687	-	35,687
Balance, May 31, 2007	911,167	-	911,167
Administrative	706	-	706
Consulting fees	60,548	-	60,548
Travel	5,456	-	5,456
Legal fees	11,566	-	11,566
Balance, May 31, 2008	989,443	-	989,443
Administrative	867	-	867
Consulting fees	27,890	-	27,890
Travel	16,959	-	16,959
Legal fees	7,008	-	7,008
Balance, May 31, 2009	1,042,167	-	1,042,167
Balance, May 31, 2010	1,042,167	-	1,042,167
Balance, May 31, 2011	1,042,167	-	1,042,167
Administrative	-	11,736	11,736

Consulting fees		-		1,367		1,367
Engineering studies		-		959		959
Feasibility study		-		3,143		3,143
Field supplies		-		3,639		3,639
Project design and safety reports		-		25,143		25,143
Technical reports		-		39,663		39,663
Travel & promotion		-		35,324		35,324
Wages and benefits		-		37,356		37,356
Balance, May 31, 2012	$	1,042,167	$	158,330	$	1,200,497

Sterling Group Ventures, Inc.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
November 30, 2012
(Stated in US Dollars)
(Unaudited)

Note 3 Mineral Properties (cont d)

Summary of mineral property expenditures		**DXC Salt Lake Property**		**Gaoping Phosphate Property**		**Total**
Balance, May 31, 2012	$	1,042,167	$	158,330	$	1,200,497
Administrative		-		9,503		9,503
Consulting fees		-		7,744		7,744
Engineering studies		-		193,479		193,479
Field supplies		-		80,100		80,100
Recording fees		-		2,216		2,216
Travel & promotion		-		14,481		14,481
Wages and benefits 3		-		38,623		38,623
Balance, November 30, 2012	$	1,042,167	$	504,476	$	1,546,643

Not included in the table above was a total of $222,227 of costs incurred on other properties which were abandoned during the years ended May 31, 2006, 2007 and 2009.

a) Gaoping Phosphate Property

On October 18, 2010, the Company signed two agreements (the "Agreements") with Chenxi County Hongyu Mining Co. Ltd. ("Hongyu") and its shareholders ("Hongyu Shareholders") regarding the Gaoping phosphate mine (the "GP Property") located in Tanjiachang village, Chenxi County, Hunan Province, China and other phosphate resources in Hunan Province. Hongyu holds a business license and a mining permit in the GP Property which is in effect until November 10, 2014.

The Agreements required an investment company to be incorporated in Hong Kong (the Investment Company) which was to be owned 20% by the Hongyu Shareholders and 80% by the Company. On October 13, 2010, the Investment Company was incorporated in Hong Kong under the name Silver Castle Investments Ltd. (Silver Castle). Silver Castle acquired 90% of Hongyu with the other 10% of Hongyu transferred to the nominees of the Company. During the acquisition phase, the Company ensured that Hongyu s net assets retained a minimum value of RMB 5,000,000 ($771,545). Upon completion of this acquisition, Hongyu became a Hong Kong / China joint venture company. The Company received all required approvals from Chinese authorities for the completion of its acquisition of Hongyu pursuant to the Agreements dated October 18, 2010. The Company paid RMB 200,000 ($30,934) to the Hongyu shareholders as a down payment on December 14, 2010, the Company also deferred $25,083 of legal fees related to the acquisition of Hongyu which was recorded as Advance on Investment as at May 31, 2011. The remaining RMB1,800,000 ($279,504) was paid on July 8, 2011, to complete the transaction, for a total of RMB 2,000,000 ($310,438).

Pursuant to the Agreements, Hongyu agreed to surrender its future exclusive cooperative rights to the Company, and the Hongyu Shareholders agreed that the Company shall have all Hongyu's title and interest in any phosphate properties, including but not limited to the GP Property, and the Company arranged for the financing of building a mining and processing plant on the GP Property together with other facilities required for a mining operation thereon.

Sterling Group Ventures, Inc.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
November 30, 2012
(Stated in US Dollars)
(Unaudited)

Note 3 Mineral Properties (cont d)

a) Gaoping Phosphate Property (cont d)

When requested by the Company, the Hongyu Shareholders agreed to sell their 20% interest in the Investment Company to the Company for the issuance of 10,000,000 common shares of the Company s capital stock. On July 5, 2011, the Company issued 10,000,000 shares to the Hongyu Shareholders with the closing market price of the shares at $0.22 for acquiring the remaining 20% equity interest in Silver Castle from the Hongyu Shareholders. As a result of this transaction, the Company effectively controls 100% of Hongyu through its wholly owned subsidiary, Silver Castle Investments Ltd. which holds 90% of Hongyu with the other 10% held by the nominees of the Company.

The acquisition was treated as an acquisition of assets rather than a business combination because Hongyu does not constitute a business according to the definition of business under FASB ASC Topic 805 *Business Combinations* . The acquisition was accounted for based on the cash paid and quoted market price of the Company s common shares issued as part of the transaction.

There were no liabilities assumed during the acquisition. Details of the purchase consideration and net assets acquired are as follows:

Purchase price:		
Cash consideration (1)	$	310,438
Common shares (1)		2,200,000
Transaction costs (2)		27,749
	$	2,538,187
Allocated to:		
Environmental deposit	$	122,134
Mineral property		3,148,740
Deferred tax liability		(732,687)
	$	2,538,187

(1) Consideration paid consisted of an aggregate cash payment of RMB2,000,000 ($310,438) and issuance of 10,000,000 shares of common stock at $0.22 per share which was the closing price of the Company s shares on the date of acquisition.

(2) Incurred in connection with the acquisition were transaction costs of $27,749 which were included as part of the purchase consideration.

As of November 30, 2012, the Company has incurred mineral property costs of $504,476 on this property which have been expensed to the statement of operations as disclosed in the table above.

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Note 3 Mineral Properties (cont d)

b) Dangxiongcuo Salt Lake Project

On September 16, 2005, the Company, through its wholly owned subsidiary, Micro Express Holdings Inc. (Micro), signed an agreement (the Mianping Agreement) with Beijing Mianping Salt Lake Research Institute (Mianping) for the development of Dangxiongcuo salt lake property (DXC Salt Lake) in Nima county of Naqu district in Tibet, China.

Pursuant to the Mianping Agreement, the parties agreed to set up a Cooperative Company, (the Cooperative) to develop the DXC Salt Lake. The objective of the Cooperative was to use the funds provided by the Company and the skills and technology provided by the other party to produce lithium carbonate and borate from brine. The Company, through Micro, was to own 65% of the Cooperative. It was anticipated that the total investment in the Cooperative would be approximately 240 million RMB (or approximately US$35 million). The Cooperative Company was never set up. On July 3, 2007, Micro received a letter from the other party to the Mianping Agreement stating that the agreement between Micro and the other party should be deemed terminated as a result of lack of progress in the approval for the establishment of the joint venture company and was considering a lawsuit against the Company and Micro. Micro has responded that the other party s claim has no legal grounds as the lack of progress was not caused by Micro. There has been no legal action to date and none is expected. By letter dated August 25, 2008, Mianping has confirmed that the agreement dated September 16, 2005 was terminated effective July 8, 2008. This agreement was replaced by the agreement with Zhong Chuan International Mining Holdings Co. Ltd. (Zhong Chuan) dated July 8, 2008 (the Agreement).

The Company received verbal termination of the Agreement with Zhong Chuan in July 2009, as advised by third party legal counsel, at a meeting in Beijing, China. The Agreement, in effect, allows Zhong Chuan to terminate the Agreement if it pays the Company double the amount of funds paid by the Company to date to secure and develop the DXC Project. Zhong Chuan has not paid the required amount anticipated by the Agreement to date. The delay in payment has delayed the termination process. At this point, the termination was incomplete.

As Zhong Chuan did not fulfill the terms of the Agreement, DXC Salt Lake project was delayed again. The Company renegotiated with Mianping which still holds DXC Salt Lake project. On October 31, 2011, the Company and its wholly owned subsidiary, Micro Express Holdings Inc. (collectively "Micro Express"), signed an agreement (the "Termination Agreement") with Beijing Mianping Salt Lake Research Institute and Tibet Sunrise Mining Development Ltd. which is the actual control person of Beijing Mianping Salt Lake Research Institute (collectively "Sunrise") regarding amending and terminating the agreement dated September 16, 2005 between Micro Express Holdings Inc. and Beijing Mianping Salt Lake Research Institute for the development of the Dangxiongcuo (DXC) Salt Lake Project located in Nima County, Tibet, China (the "Mianping Agreement").

Pursuant to the Termination Agreement, the parties have confirmed that when Sunrise completes its shareholder's change and increases its registered capital to RMB 100 million, Sunrise warrants and agrees to pay lump sum RMB 10 million (approximately $1,570,200) to Micro Express immediately in exchange of the original receipts in total amount of RMB 6,218,451 which Micro Express has spent for the DXC project and the receipt of RMB 3,781,549 from Micro Express. Upon receipt of full payment of RMB 10,000,000 (approximately $1,570,200) from Sunrise, Micro Express shall quitclaim all of its interest in and to the DXC project and the Mianping Agreement and amendments thereto, if any, shall be deemed to be null and void effective immediately.

As of November 30, 2012, the Company had incurred a total of $1,042,167 in mineral property costs on this property.

On June 21, 2012, the Company received the full payment of RMB 10,000,000 from Sunrise, and had quitclaimed all of its interest in and to the DXC lithium project and the Mianping Agreement and amendments thereto, if any, were null and void. RMB700,000 was incurred as expenses for the collection of the refund. The net amount, RMB9,300,000 ($1,461,588) was recorded as other income in the consolidated statement of operations.

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Note 4 Equipment

		November 30, 2012		May 31, 2012
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	$ 13,722	$ 11,001	$ 2,721	$ 2,274
Automobile	59,356	8,547	50,809	55,483
Office equipment	3,574	855	2,719	3,240
Machinery	128,861	4,590	124,271	3,797
Construction in progress	-	-	-	88,598
	$ 205,513	$ 24,993	$ 180,520	$ 153,392

The depreciation for the six months ended November 30, 2012 was $11,655 (2011: $378).

The construction in progress represents the cost incurred for the extension of electric power line to the mining site which was reclassified to machinery in 2013.

Note 5 Related Party Transactions

The Company was charged consulting fees for administrative, corporate, financial, engineering, and management services during the three-month and six-month periods ended November 30, 2012 totaling $6,050 (2011: $5,856) and $12,024 (2011: $11,486) by companies controlled by a director of the Company.

Included in accounts payable and accrued liabilities is $475,810 (May 31, 2012: $463,971) which was due to companies controlled by the directors of the Company for their services provided.

These transactions were measured at the exchange amount which represented the amount of consideration established and agreed to by the related parties.

Note 6 Capital Stock

a) Capital Stock

During the years ended May 31, 2004 and 2005, the Company completed a private placement of 3,716,000 units at $0.50 per unit for total proceeds of $1,858,000. Each unit consists of one common share and one share purchase warrant entitling the holder the right to purchase one common share at $0.75 per share, expiring on February 16, 2006 (the Series A Share Purchase Warrants). Upon exercise of the A share purchase warrant, an additional share purchase warrant will be granted at $1.00 per share, expiring February 16, 2007 (the Series B Share Purchase Warrants). An additional 101,500 units were issued as finders fees.

On December 18, 2004, the Company issued 100,000 shares with a fair value of $42,000 to a consultant for investor relations services for a period of one year.

During the year ended May 31, 2007, the Company completed a private placement of 2,750,300 units at $0.15 per unit for total proceeds of $412,545. Each unit consists of one common share and one share purchase warrant entitling the holder the right to purchase one common share at $0.18 per share expiring on December 29, 2006 (the Series C Share Purchase Warrants). An additional 123,690 units were issued as finders fees.

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Note 6 Capital Stock (cont d)

a) Capital Stock (cont d)

During the year ended May 31, 2008, the Company issued 324,685 common shares at $0.06 per share to settle accounts payable of $19,480.

During the year ended May 31, 2011, the Company completed a private placement of 20,000,000 units at $0.10 per unit for total proceeds of $2,000,000. Each unit consists of one common share and one share purchase warrant entitling the holder the right to purchase one common share at $0.15 per share expiring on January 31, 2012 (the Series D Share Purchase Warrants). An additional 752,500 units were issued as finders fees.

On May 25, 2011, the Company issued 350,000 shares at a quoted market price of $0.23 each to a consultant for its services.

On July 5, 2011, Sterling issued 10,000,000 shares to the Hongyu Shareholders with the closing market price of the shares at $0.22 for acquiring the remaining 20% equity interest in Silver Castle from the Hongyu Shareholders (Note 3).

b) Stock Options

During the year ended May 31, 2004, the Company granted 2,100,000 fully vested stock options to directors and officers of the Company at an exercise price of $0.50 per share. These stock options expired on February 3, 2009.

The Company accounts for its stock based compensation plans using the intrinsic value method whereby no compensation costs had been recognized in the financial statements for stock options granted to employees and directors. If the fair value method had been used for options granted, a fair value of $504,000 would be recorded as compensation expenses.

During the year ended May 31, 2004 the Company also granted 1,536,000 fully vested stock options to consultants at an exercise price of $0.50 per share. These stock option expired February 3, 2009. The fair value of options granted to non-employees and non-directors was $368,641 and had been recorded as stock-based compensation expense.

The fair value of each option grant was $0.24 and was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for the options granted on February 3, 2004: dividend yield of 0%, expected volatility of 51.15%, risk-free interest rate of 3.26%, and an expected life of 5 years.

On April 27, 2011, the Company granted 4,700,000 stock options to employees and consultants at an exercise price of $0.25 each expiring on February 3, 2019. The options were vested immediately.

On November 3, 2011, the Company granted 500,000 stock options to a consultant at an exercise price of $0.25 each expiring on February 3, 2019. The options were vested immediately.

The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

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Note 6 Capital Stock (cont d)

b) Stock Options (cont d)

	Year ended May 31, 2012
Risk free interest rate	1.48%
Expected life of options in years	7.26 years
Expected volatility	233.3%
Dividend per share	$0.00

During the year ended May 31, 2012, the weighted average fair value of options granted was $0.08 per share. The Company recognized a total stock based compensation expense of $40,000 for options granted and vested using the Black-Scholes option pricing model.

At November 30, 2012, there were 5,200,000 stock options (May 31, 2012: 5,200,000) outstanding and exercisable with an exercise price at $0.25 each expiring on February 3, 2019, an aggregate intrinsic value of $nil (May 31, 2012: $1,300,000) and a weighted average remaining contractual term of 6.18 years (May 31, 2012: 6.82) .

c) Share Purchase Warrants

Changes in share purchase warrants for the six months ended November 30, 2012 and the year ended May 31, 2012 are summarized as follows:

	Number of Shares		**Weighted Average Exercise Price**
Balance, May 31, 2011	24,570,000	$	0.204
Granted	-		-
Exercised	-		-
Expired	-		-
Balance, May 31, 2012 and November 30, 2012	24,570,000	$	0.204

Share purchase warrants outstanding at November 30, 2012:

Series	Number	Price	Expiry Date
"A"	3,817,500	$ 0.50	February 15, 2013
"D"	20,752,500	$ 0.15	February 15, 2013
	24,570,000		

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Note 6 Capital Stock - (cont d)

c) Share Purchase Warrants - (cont d)

Each Series A warrant entitles the holder thereof the right to purchase one common share at $0.50 per share expiring on the earlier of:

1) February 16, 2008; or
2) The 30th day after the day on which the weighted average trading price of the Company's shares exceeds $0.80 per share for 20 consecutive trading days.

Upon exercise of the Series "A" Share Purchase Warrant at $0.50 each, the holder will receive one Common Share of the Company and a Series "B" Share Purchase Warrant exercisable at $1.00 expiring one year after the occurrence of either (1) or (2) as described above. The Series "A" Share Purchase Warrants were originally issued in 2004 pursuant to a private placement commenced in February 2004.

On February 7, 2008, the Company extended the expiry date of the 3,817,500 Series A Share Purchase Warrants from February 16, 2008 to February 16, 2009. The exercise price of the warrants remains unchanged at $0.50 per share. The additional fair value of the 3,817,500 extended life Series A Share Purchase Warrants was estimated at $252,989 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 218.52%, risk free interest rates of 2.08% and expected life of one year.

On February 6, 2009, the Company re-extended the expiry date of 3,817,500 Series A Share Purchase Warrants from February 16, 2009 to February 16, 2010. The exercise price of the warrants remains unchanged at $0.50 per share. The additional fair value of the 3,817,500 extended life Series A Share Purchase Warrants was estimated at $35,593 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 223.36%, risk free interest rates of 0.82% and expected life of one year.

On February 12, 2010, the Company re-extended the expiry date of 3,817,500 Series "A" Share Purchase Warrants from February 16, 2010 to February 16, 2011. The exercise price of the warrants remains unchanged at $0.50 per share. The additional fair value of the 3,817,500 extended life Series A Share Purchase Warrants was estimated at $44,283 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 244%, risk free interest rates of 0.56% and expected life of one year.

On February 14, 2011, the Company re-extended the expiry date of 3,817,500 Series "A" Share Purchase Warrants from February 16, 2011 to February 16, 2012. The exercise price of the warrants remains unchanged at $0.50 per share. The additional fair value of the 3,817,500 extended life Series A Share Purchase Warrants was estimated at $517,526 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 201%, risk free interest rates of 0.29% and expected life of one year.

On January 26, 2012, the Company re-extended the expiry date of 3,817,500 Series "A" share purchase warrants from February 16, 2012 to the earlier of February 15, 2013 or the close of business on the 30th day after a takeover bid for the Company's issued and outstanding share capital has been made by a third party and approved by the shareholders of the Company. The exercise price of the warrants remained unchanged at $0.50 per share. The additional fair value of the 3,817,500 extended life Series A Share Purchase Warrants was estimated at $25,832 using the Black-Scholes

Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 155.80%, risk-free interest rates of 0.12% and expected life of 1.05 years.

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Note 6 Capital Stock - (cont d)

c) Share Purchase Warrants - (cont d)

On February 7, 2008, the Company extended the expiry date of the 2,873,990 Series C Share Purchase Warrants from February 29, 2008 to February 27, 2009. The exercise price of the warrants remained unchanged at $0.18 per share. The additional fair value of the 2,873,990 extended life Series C Share Purchase Warrants was estimated at $156,536 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 222.09%, risk-free interest rates of 2.08% and expected life of one year.

On February 6, 2009, the Company re-extended the expiry date of 2,873,990 Series "C" share purchase Warrants from February 27, 2009 to February 26, 2010. The exercise price of the warrants remains unchanged at $0.18 per share. The Series "C" Share Purchase Warrants were originally issued in September 2006 pursuant to a private placement commenced in August 2006. The additional fair value of the 2,873,990 extended life Series C Share Purchase Warrants was estimated at $48,259 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 244.01%, risk-free interest rates of 0.82% and expected life of one year.

On February 12, 2010, the Company re-extended the expiry date of 2,873,990 the Series "C" share purchase Warrants from February 26, 2010 to February 16, 2011. The exercise price of the warrants remains unchanged at $0.18 per share. The additional fair value of the 2,873,990 extended life Series C Share Purchase Warrants was estimated at $47,421 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 244%, risk-free interest rates of 0.56% and expected life of one year.

During the year ended May 31, 2011, 801,666 Series "C" Share Purchase Warrants with an exercise price of $0.18 per share were exercised for gross proceeds of approximately $144,300. On February 16, 2011, the remaining Series "C" Share Purchase Warrants expired unexercised.

On January 26, 2012, the Company extended the expiry date of the 20,752,500 Series "D" Share Purchase Warrants (the "D" Warrants) to the earlier of February 15, 2013 or the close of business on the 30th day after a takeover bid for the Company's issued and outstanding share capital has been made by a third party and approved by the shareholders of the Company. The exercise price of the "D" Warrants remains unchanged at $0.15 per share. The additional fair value of the 20,752,500 extended life Series D Share Purchase Warrants was estimated at $358,647 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 157.29%, risk-free interest rates of 0.12% and expected life of 1.05 years.

Note 7 Foreign Currency Risk

The Company is exposed to fluctuations in foreign currencies through amounts held in China in RMB:
Cash and cash equivalent $1,786,584 (May 31, 2012 - $10,924)

The Company is exposed to fluctuations in foreign currencies through amounts held in Canada in CAD:

Cash $8,695 (May 31, 2012 - $50,850)

The Company is exposed to fluctuations in foreign currencies through amounts held in Hong Kong in HKD:

Cash $448 (May 31, 2012 - $538)

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes for the year ended May 31, 2012, the financial statements and related notes in this Quarterly Report for the period ended November 30, 2012, the risk factors in our 10K for the year ended May 31, 2012, and all of the other information contained elsewhere in this report. .

As used in this quarterly report, the terms we , us , our , our company , Company and Sterling refer to Sterli Ventures, Inc. and its subsidiaries, unless otherwise indicated.

Forward-Looking Statements. When used in this Form 10-Q, the words believe , may , will , plan , estimate , c anticipate , intend , expect , project , estimates , and similar expressions are intended to identify forward-lo statements. Such statements are subject to risks and uncertainties, including those set forth below under "Risks and Uncertainties," that could cause actual results to differ materially from those projected. These forward-looking statements speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Overview

On October 18, 2010, Sterling signed two agreements (the "Agreements") with Chenxi County Hongyu Mining Co. Ltd. ("Hongyu") and its shareholders ("Hongyu Shareholders") regarding the Gaoping phosphate mine (the "GP Property") located in Tanjiachang village, Chenxi County, Hunan Province, China and other phosphate resources in Hunan Province. Hongyu holds a business license and a mining permit in the GP Property which is in effect until November 10, 2014 and covers 42.5 hectares.

The Agreements required an investment company to be incorporated in Hong Kong (the "Investment Company") which was to be owned 20% by the Hongyu Shareholders and 80% by Sterling. On October 13, 2010, the Investment Company was incorporated in Hong Kong under the name Silver Castle Investments Ltd. ("Silver Castle"). Silver Castle acquired 90% of Hongyu with the other 10% of Hongyu transferred to the nominees of Sterling. During the acquisition phase, Sterling ensured that Hongyu's net assets retained a minimum value of RMB 5,000,000 ($771,545). Upon completion of this acquisition, Hongyu became a Hong Kong / China joint venture company. Sterling received all required approvals from Chinese authorities for the completion of its acquisition of Hongyu pursuant to the Agreements dated October 18, 2010. Sterling paid a total RMB 2,000,000 ($310,438) to the Hongyu Shareholders with RMB 200,000 (US$30,934) paid as down payment on December 14, 2010 and the remaining RMB1,800,000 ($279,504) paid on July 8, 2011 for completion of the transaction.

Pursuant to the Agreements, Hongyu agreed to surrender its future exclusive cooperative rights to Sterling, and the Hongyu Shareholders agreed that Sterling shall have all Hongyu's title and interest in any phosphate properties, including but not limited to the GP Property, and Sterling should arrange for the financing of building a mining and processing plant on the GP Property together with other facilities required for a mining operation thereon.

When requested by Sterling, the Hongyu Shareholders agreed to sell their 20% interest in the Investment Company to Sterling for the issuance of 10,000,000 common shares of Sterling's capital stock. On July 5, 2011, Sterling issued 10,000,000 shares to the Hongyu Shareholders with the closing market price of the shares at $0.22 for acquiring the remaining 20% equity interest in Silver Castle from the Hongyu Shareholders. As a result of this transaction, Sterling effectively controls 100% of Hongyu through its wholly owned subsidiary, Silver Castle Investments Ltd. which holds 90% of Hongyu with the other 10% held by the nominees of Sterling.

Sterling through its subsidiary company, Silver Castle Investments Ltd., also signed a letter of intent for a larger area known as Tanjiachang Exploration Concession with Chenxi County Merchants Bureau, Hunan Province, China. Tanjiachang Exploration Concession is surrounding the Gaoping Mining permit.

Hongyu is currently working on putting its phosphate deposit into production. As mining license was obtained for the Gaoping Phosphate Property and a Chinese engineering report was completed, Hongyu moved into the development stage of this property in the early of 2012. On February 13, 2012, Hongyu received approval for installing the power line for the Gaoping Phosphate Property. Hongyu also reached understanding for land rental with local village committee on March 17, 2012. Hongyu signed and completed land rental agreement with each family in the mining area on March 27, 2012. On April 1, 2012, Hongyu also received conditional safety approval from Supervision and Management Bureau for Safety Operation of Chenxi County and the project is essentially ready to begin production on a small scale basis to be further ramped up as the development and production plan takes effect. The conditional safety approval is expected to become final after inspection when the mine construction is completed. On April 22, 2012, Hongyu signed a mining agreement with the mining contractor, Yichang Rongchang Mining Co. Ltd., to be the operator of the mining and production activities on the project. On June 16, 2012, Hongyu completed power line construction. On July 19, 2012, Hongyu received the explosive operation permit. Currently, accommodation for mining people has been built and our mining contractor has started excavation works. An onsite office and accommodation for workers and mining management are now complete and Hongyu's management is currently working onsite. The water supply for the mining operation and living quarters is connected to the site. Since late August, Hongyu has started driving in the No. 2 adit. So far it has been developed for a length of 190 meters. Then an adit arc lane is being developed for No. 2 adit. About 50 meters have been developed. No. 1 adit has been developed for a length of 50 meters. The road to the mining site is being constructed and at maintenance stage.

On September 16, 2005, the Company, through its wholly owned subsidiary, Micro Express Holdings Inc. ("Micro"), signed an agreement (the "Mianping Agreement") with Beijing Mianping Salt Lake Research Institute ("Mianping") for the development of Dangxiongcuo salt lake property ("DXC Salt Lake") in Nima county of Naqu district in Tibet, China.

Pursuant to the Mianping Agreement, the parties agreed to set up a Cooperative Company (the "Cooperative") to develop the DXC Salt Lake. The objective of the Cooperative was to use the funds provided by the Company and the skills and technology provided by the other party to produce lithium carbonate and borate from brine. The Company, through Micro, was to own 65% of the Cooperative. It was anticipated that the total investment in the Cooperative would be approximately RMB 240 million (or approximately US$35 million). The Cooperative Company was never set up. On July 3, 2007, Micro received a letter from the other party to the Mianping Agreement stating that the agreement between Micro and the other party should be deemed terminated as a result of lack of progress in the approval for the establishment of the joint venture company and is considering a lawsuit against the Company and Micro. Micro has responded that the other party's claim has no legal grounds as the lack of progress is not caused by Micro. There has been no legal action to date and none is expected. By letter dated August 25, 2008, Mianping has confirmed that the agreement dated September 16, 2005 was terminated effective July 8, 2008. This agreement was replaced by the agreement with Zhong Chuan International Mining Holdings Co. Ltd. ("Zhong Chuan") dated July 8, 2008("the Agreement").

In July 2009, the Company received verbal termination of the Agreement with Zhong Chuan as advised by third party legal counsel at a meeting in Beijing, China. The Agreement, in effect, allows Zhong Chuan to terminate the Agreement if it pays the Company double the amount of funds paid by the Company to date to secure and develop the DXC Project. Zhong Chuan has not paid the required amount anticipated by the Agreement to date. The delay in payment has delayed the termination process. At this point, the termination is incomplete.

As Zhong Chuan did not fulfill the terms of the Agreement, DXC Salt Lake project was delayed again. The Company renegotiated with Mianping which still holds DXC Salt Lake project. On October 31, 2011, the Company and its wholly owned subsidiary, Micro Express Holdings Inc. (collectively "Micro Express"), signed an agreement (the "Termination Agreement") with Beijing Mianping Salt Lake Research Institute and Tibet Sunrise Mining Development Ltd. which is actual control person of Beijing Mianping Salt Lake Research Institute (collectively "Sunrise") regarding amending and terminating the Mainping Agreement dated September 16, 2005 between Micro Express Holdings Inc. and Beijing Mianping Salt Lake Research Institute for the development of the Dangxiongcuo

(DXC) Salt Lake Project located in Nima County, Tibet, China.

Pursuant to the Termination Agreement, the parties have confirmed that when Sunrise completes its shareholder's change and increases its registered capital to RMB 100 million, Sunrise warrants and agrees to pay lump sum RMB 10 million (approximately $1,570,200) to Micro Express immediately in exchange of the original receipts in total amount of RMB 6,218,451 which Micro Express has spent for the DXC project and the receipt of RMB 3,781,549 from Micro Express. Upon receipt of full payment of RMB 10,000,000 from Sunrise, Micro Express shall quitclaim all of its interest in and to the DXC project and the Mianping Agreement and amendments thereto, if any, shall be deemed to be null and void effective immediately.

On June 21, 2012, the Company received the full payment of RMB10,000,000 from Sunrise. The termination of the DXC Lithium Project was completed.

Business of Sterling Group Ventures Inc.

Sterling is a natural resource company engaged in acquisition, exploration and development of mineral properties. At present, the Company acquired the Gaoping phosphate Property and is developing the Gaoping phosphate property for the exploration and production of phosphate fertilizer.

Application of Critical Accounting Policies and Use of Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that we 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 revenue and expenses during the reporting period. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ significantly from these estimates under different assumptions or conditions. There have been no material changes to these estimates for the periods presented in this quarterly report.

We believe that of our significant accounting policies, which are described in Note 2 to our annual financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, the following policies are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Basis of Presentation

These consolidated financial statements include the accounts of our Company and our wholly-owned subsidiaries, Micro Express Holdings Inc., Micro Express Ltd., Huyana Ventures Limited, Makaelo Holdings Inc., Makaelo Limited, Silver Castle Investments Limited ("Silver Castle") and our 100% controlled subsidiary, Chenxi County Hongyu Mining Co. Ltd. ("Hongyu"). All inter-company transactions and account balances have been eliminated.

Interim Reporting

The information presented in the accompanying interim consolidated financial statements is without audit pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in the interim consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. Except where noted, the interim consolidated financial statements follow the same accounting policies and methods of their application as our May 31, 2012 annual consolidated financial statements. All adjustments are of a normal recurring nature. It is suggested that these interim consolidated financial statements be read in conjunction with our May 31, 2012 annual consolidated financial statements.

Operating results for the six months ended November 30, 2012 are not necessarily indicative of the results that can be expected for the year ending May 31, 2013.

Mineral Property Costs

Costs of acquiring mineral properties are capitalized by the project area unless the mineral properties do not have proven reserves. Costs to maintain mineral rights and leases are expensed as incurred. When a property reaches the production state, the related capitalized costs are amortized using the unit of production method on the basis of annual estimates of ore reserves. The Company does not consider a resource property to be at the development stage until such time as either mineral reserve are proven or permits to operate the mineral resource property are received and financing to complete the development has been obtained. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and amortized on the unit of production method based upon estimated proven and probable reserves or resources.

Management reviews the carrying value of mineral properties at least annually and will recognize impairment in value based upon current exploration results, and any impairment or subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations. Mineral property exploration costs are expensed as incurred. Exploration activities conducted jointly with others are reflected at the Company's proportionate interest in such activities. As of November 30, 2012, the Company did not have proven or probable ore reserves.

Stock-based Compensation

On June 1, 2006, the Company accounts for stock-based compensation in accordance with ASC Topic 718-10, *Compensation - Stock Compensation - Overall.*

In accordance with ASC Topic 718-10 compensation expenses is amortized on a straight-line basis over the requisite service period which approximates the vesting period rather than as a reduction of taxes paid. The Company has elected to use the Black-Scholes option pricing model to determine the fair value of options and the extension of the expiry date of share purchase warrants previously granted. The Company has estimated the fair value of share purchase warrants and options for the period ended November 30, 2012 and the year ended May 31, 2012 using the assumptions more fully described in Note 6(b) & (c) to the financial statements.

Foreign Currency Translation

Our functional and reporting currency is U.S. dollars. Our consolidated financial statements are translated to U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. We have not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which assumes that adequate sources of financing will be obtained as required and that our assets will be realized and liabilities settled in the ordinary course of business. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of assets and liabilities that might be necessary if we are unable to continue as a going concern.

In order to continue as a going concern, we require additional financing. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to continue as a going concern, we would likely be unable to realize the carrying value of our assets reflected in the balances set out in the preparation of the consolidated financial statements.

At November 30, 2012, the Company had not yet achieved profitable operations and has accumulated losses of $5,319,522 since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances; however there is no assurance of additional funding being available.

Results Of Operations

The operating loss increased to $237,703 for the quarter ended November 30, 2012, as compared to $165,041 for the quarter ended November 30, 2011 mainly due to the increase of mineral property costs. The operating income is $1,023,428 for the six months ended November 30, 2012, as compared to operating loss of $308,143 for the six months ended November 30, 2011 mainly due to the income of $1,461,588 from sale of DXC lithium project.

Consulting fees decreased by $39,779 for the three months ended November 30, 2012 when compared to the same period in 2011, and Consulting fees decreased by $40,365 for the six months ended November 30, 2012 when compared to the same period in 2011 because of the increased Stock-based compensation of $40,000, a non-cash item in 2011.

Foreign exchange gain increased by $9,417 for the three months ended November 30, 2012 when compared to the same period in 2011, and foreign exchange gain decreased by $9,717 for the six months ended November 30, 2012 when compared to the same period in 2011 because of the exchange rate fluctuation among US dollar, Canadian dollar and RMB.

General and administrative decreased by $3,509 for the three months ended November 30, 2012 when compared to the same period in 2011, and General and administrative decreased by $4,449 for the six months ended November 30, 2012 when compared to the same period in 2011.

Mineral property costs increased by $121,755 for the three months ended November 30, 2012 when compared to the same period in 2011, and mineral property costs increased by $252,593 for the six months ended November 30, 2012 when compared to the same period in 2011, because the Company has started to develop the Gaoping phosphate property and build mining facility.

Investor relations costs decreased by $2,384 for the three months ended November 30, 2012 when compared to the same period in 2011. Investor relations costs decreased by $78,548 for the six months ended November 30, 2012 when compared to the same period in 2011 because $73,500 were paid by shares to a consultant for the investor relation services in the six months ended November 30, 2011.

The Company expects the trend of losses to continue until we can achieve commercial production at the Gaoping phosphate project, of which there can be no assurance as described in Risk Factors.

Liquidity And Working Capital

As of November 30, 2012, the Company had total current assets of $2,341,977 and total liabilities of $510,239. As of November 30, 2012, the Company had cash totaling $2,313,698, and a working capital surplus of $1,831,738.

During the six months ended November 30, 2012, the Company received the other income of $1,461,588 from the sale of its DXC lithium project and its working capital increased accordingly.

The Company has no other capital resources other than the ability to use its common stock to raise additional capital or the exercise of the warrants by the unit holders. If all warrants outstanding including bonus warrants are exercised, the Company will receive approximately $10 million in cash. The Company's current cash can meet its short term need. The cash will be mainly used for mining property exploration and development, general administrative, corporate (accounting, audit, and legal), financing and management.

No other commitments to provide additional funds have been made by management or other stockholders except as set forth above. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover operation expenses. This raises substantial doubt that the Company will be able to continue as a going concern unless additional capital is raised.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In addition to the U.S. Dollar, we conduct our business in Chinese Yuan (RMB) and Canadian Dollar and, therefore, are subject to foreign currency exchange risk on cash flows related to expenses and investing transactions. In July 2005, the Chinese government began to permit the Chinese Yuan to float against the U.S. Dollar. All of our costs to operate our Chinese project are paid in Chinese Yuan and all of our costs to operate our principal executive office in Canada are paid in Canadian dollar. Our mining costs in China may be incurred under contracts denominated in Chinese Yuan or U.S. Dollars. If the Chinese Yuan continues to appreciate with respect to the U.S. Dollar, our costs in China may increase. If the Canadian Dollar continues to appreciate with respect to the U.S. Dollar, our costs in Canada may increase. To date we have not engaged in hedging activities to hedge our foreign currency exposure. In the future, we may enter into hedging instruments to manage our foreign currency exchange risk or continue to be subject to exchange rate risk.

Although inflation has not materially impacted our operations in the recent past, increased inflation in China or Canada could have a negative impact on our operating and general and administrative expenses, as these costs could increase. China has recently experienced inflationary pressures, which could increase our costs associated with our operations in China. If there are material changes in our costs, we may seek to raise additional funds earlier than anticipated.

ITEM 4. CONTROLS AND PROCEDURES

a. Evaluation of Disclosure Controls and Procedures:

We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

b. Changes in Internal Control over Financial Reporting:

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

We have sought to identify what we believe to be the most significant risks to our business. However, we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Stock. We provide the following cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could adversely affect us.

Factors That May Affect Future Results and Market Price of Stock

The business of the Company involves a number of risks and uncertainties that could cause actual results to differ materially from results projected in any forward-looking statement, or statements, made in this report. These risks and uncertainties include, but are not necessarily limited to the risks set forth below. The Company's securities are speculative and investment in the Company's securities involves a high degree of risk and the possibility that the investor will suffer the loss of the entire amount invested.

There is Substantial Doubt About the Company's Ability to Continue as a Going Concern

Sterling is engaged in acquisition, exploration and development of mineral properties. The Company has acquired the Gaoping phosphate properties located in Chenxi County, Hunan Province, China. The Company has not yet achieved profitable operations and is dependent on its ability to raise capital from shareholders or other sources to meet its obligations and repay its liabilities arising from normal business operations when they come due. These factors raise substantial doubt that the Company will be able to continue as a going concern.

Lack of Technical Training of Management

The Management of our Company has academic and scientific experience related to mining issues but lacks technical training and experience exploring for, commissioning and operating a mine. With no direct training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within this industry. The decisions and choices may not take into account standard engineering or managerial approaches mineral exploration companies commonly use. Consequently, operations, earnings and the ultimate financial success of the Company could suffer irreparable harm due to management's lack of experience in this industry. The company has recently hired an experienced mining engineer.

Exploration Risk

Development of mineral properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.

The Gaoping property has been examined in the field by professional geologists/mining engineers. The Company received the national instrument 43-101 report (Canadian Standard). Professional geologist also made an exploration proposal for Tanjiachang Exploration Concession which is surrounding Gaoping property which is under letter of intent with Chenxi County Merchants Bureau, Hunan Province, China. There is no assurance that commercial quantities of ore will be discovered on the Tanjiachang Exploration Concession. There is also no assurance that, even if commercial quantities of ore are discovered, the Tanjiachang Exploration Concession will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of the Company.

The properties may need exploration and such exploration processes shall be conducted in phases. When each phase of a particular project is completed, and upon analysis of the results thereto, the Company will make a decision on whether to proceed with each successive phase of the exploration program. There is no assurance that projects will be carried to completion.

Limited Management Resource Development Experience

The Company does not have a track record of exploration and mining operation history. The Company's management has limited experience in mineral resource development and exploitation, and has relied on and may continue to rely upon consultants and others for development and operation expertise. The company recently hired an experienced mining engineer.

Limited Financial Resources

Furthermore, the Company has limited financial resources with no assurance that sufficient funding will be available to it for future exploration and development or to fulfill its obligations under current agreements. There is no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects.

Limited Public Market, Possible Volatility of Share Price

The Company's Common Stock is currently quoted on the NASD OTC QB under the ticker symbol SGGV and is listed on Berlin Bremen Stock Exchange under the symbol GD7. As of November 30, 2012, there were 75,730,341 shares of common stock outstanding. There can be no assurance that a trading market will be sustained in the future.

Dependence on Executive Officers and Technical Personnel

The success of our business plan depends on attracting qualified personnel, and failure to retain the necessary personnel could adversely affect our business. Competition for qualified personnel is intense, and we may need to pay premium wages to attract and retain personnel. Attracting and retaining qualified personnel is critical to our business. Inability to attract and retain the qualified personnel necessary would limit our ability to implement our business plan successfully.

Need for Additional Financing

The Company believes it has sufficient capital to meet its short-term cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934. However, if losses continue, it may have to seek loans or equity placements to cover longer-term cash needs to continue operations and expansion.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover operation expenses.

If future operations are unprofitable, it will be forced to develop another line of business, or to finance its operations through the sale of assets it has, or enter into the sale of stock for additional capital, none of which may be feasible when needed. The Company has no specific management ability or financial resources or plans to enter any other business as of this date.

Dilution to the Existing Shareholders

The Company has no other capital resources other than the ability to use its common stock to raise additional capital or the exercise of the warrants by the unit holders, which will significantly dilute the Company's stockholders.

Market Risk and Political Risks

The Company does not hold any derivatives or other investments that are subject to market risk. The carrying values of any financial instruments, approximate fair value as of those dates because of the relatively short-term maturity of these instruments, which eliminates any potential market risk associated with such instruments.

The market in China is monitored by the government, which could impose taxes or restrictions at any time which would make operations unprofitable and infeasible and cause a write-off of investment in the mineral properties. Other factors include political policy on foreign ownership, political policy to open the doors to foreign investors, and political policy on mineral claims and metal prices.

The disruptions in the financial markets and economic conditions have adversely affected the US and the world economy. Turmoil in global credit markets and turmoil in the geopolitical environment in many parts of the world have adversely affected global economic conditions. There can be no assurances that government responses to the disruptions in financial markets will restore investor confidence and economic activity. This could affect our ability to raise capital.

Additionally, the uncertain economic environment may cause farmers to use less fertilizer to cut costs, which will adversely affect the demand for phosphate. A similar situation occurred in 2008 leading to a sharp decline in phosphate prices.

The Hongyu phosphate deposit is located in China which, as a result of its operations, exposes the Company to political and market risks in China. Exports of phosphate rock are currently subject to an export tax due to domestic phosphate requirements.

Other Risks and Uncertainties

The business of mineral deposit exploration and development involves a high degree of risk. Few properties that are explored are ultimately developed into production. Other risks facing the Company include competition, reliance on third parties and joint-venture partners, environmental and insurance risks, political and environmental instability, statutory and regulatory requirements, fluctuations in mineral prices and foreign currency, share price volatility, title risks, and uncertainty of additional financing.

Since October 2008, a severe general downturn in the U. S. economy and global economy slowdown which already affected the securities markets took place. Such a deleterious turn of events has made it much more difficult for the Company to access financing should it be required to do so. The outlook remains uncertain as growth in the US and Europe experienced another downturn such that another recession is now possible in the US and Europe.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the year ended May 31, 2011, the Company completed a private placement of 20,000,000 units at $0.10 per unit for total proceeds of $2,000,000. Each unit consists of one common share and one share purchase warrant entitling the holder the right to purchase one common share at $0.15 per share expiring on January 31, 2012 (the Series "D" Share Purchase Warrants). An additional 752,500 units were issued as finders' fees. The proceeds from this private placement will be used for the phosphate projects in Hunan, China and general working capital.

On May 25, 2011, the Company issued 350,000 shares at a quoted market price of $0.23 each to a consultant for its services.

On July 5, 2011, Sterling issued 10,000,000 shares to the Hongyu Shareholders with the closing market price of the shares at $0.22 for acquiring the remaining 20% equity interest in Silver Castle from the Hongyu Shareholders.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits beginning on page 28 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

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.

Sterling Group Ventures Inc.

/s/ Raoul Tsakok
Raoul Tsakok, Chairman and Chief Executive Officer

Date: January 10, 2013

/s/ Richard Shao
Richard Shao, President and Chief Financial Officer

Date: January 10, 2013

INDEX OF EXHIBITS

Exhibit Number	Description
3.1	Articles of Incorporation of the Company, (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2 filed on July 26, 2002, and incorporated herein by reference).
3.2	Bylaws of the Company (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2 filed on July 26, 2002, and incorporated herein by reference).
4.1	Specimen stock certificate (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2 filed on July 26, 2002, and incorporated herein by reference).
10.1	Acquisition Agreement between the Company and Micro Express Ltd., dated January 20, 2004. (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on January 29, 2004, and incorporated herein by reference).
10.2	Joint Venture Contract between Micro Express Ltd. .(the Company s wholly subsidiary) and Sichuan Province Mining Ltd., dated April 5, 2005 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on April 11, 2005, and incorporated herein by reference).
10.3	Agreement for Development of DXC Salt Lake Property between Micro Express Holdings Inc. .(the Company s wholly subsidiary) and Beijing Mianping Salt Lake Research Institute, dated September 16, 2005 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on September 21, 2005, and incorporated herein by reference).
10.4	Agreement for Termination of Joint Venture between Micro Express Ltd. and Sichuan Province Mining Ltd., dated March 3, 2006 (Filed as Exhibit 10.1 to the Company's current report on Form 8- K filed on March 6, 2006, and incorporated herein by reference).
10.5	Agreement between the Company, Zhong Chuan International Mining Holding Co., Ltd. , and shareholders of Monte Sea Holdings Ltd., dated July 8, 2008 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on July 15, 2008, and incorporated herein by reference).
10.6	Agreement between the Company, Hongyu Mining Co., Ltd. , and shareholders of Hongyu Mining Co., Ltd., dated October 18, 2010 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on October 21, 2010, and incorporated herein by reference).
10.7	Letter of Intent between the Company and Shimen County Merchants Bureau, dated November 10, 2010 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on November 16, 2010, and incorporated herein by reference).
10.8	Agreement for Termination of Joint Venture between the Company, Micro Express Holdings Inc. and Beijing Mianping Salt Lake Research Institute, dated October 31, 2011 (Filed as Exhibit 10.1 to the Company's current report on Form 8-K filed on November 3, 2011, and incorporated herein by reference).
14.1	Code of Ethics. (Filed as Exhibit 14.1 to the Company's Annual report on Form 10-K filed on August 28, 2009, and incorporated herein by reference)
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Sec. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Sec. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith.
99.1	Audit Committee Charter. (Filed as Exhibit 99.1 to the Company's Annual report on Form 10-K filed on August 28, 2009, and incorporated herein by reference)
101.INS	XBRL Instance Document. Furnished herewith.
101.SCH	XBRL Taxonomy Extension Schema Document. Furnished herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. Furnished herewith.

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. Furnished herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. Furnished herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. Furnished herewith.