TINTINA RESOURCES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 30, 2013 AND 2012

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Tintina Resources Inc.

We have audited the accompanying consolidated financial statements of **Tintina Resources Inc.**, which comprise the consolidated statements of financial position as at September 30, 2013 and 2012, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Tintina Resources Inc.** as at September 30, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Vancouver, Canada,
December 17, 2013.

Chartered Accountants

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2013 AND 2012

(Expressed in Canadian Dollars)

	September 30, 2013	September 30, 2012
ASSETS		
Current		
Cash and cash equivalents	$ 6,904,205	$ 14,969,000
Amounts receivable	36,931	149,852
Prepaid expenses and other assets	146,681	160,305
	7,087,817	15,279,157
Non-current		
Property, plant and equipment (Note 5)	36,758	32,444
Resource properties (Note 6)	1,009,411	1,779,402
	1,046,169	1,811,846
Total assets	$ 8,133,986	$ 17,091,003
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 322,224	$ 762,601
Provision for asset retirement obligation (Note 8)	-	9,832
	322,224	772,433
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	58,124,240	58,124,240
Share-based payment reserve	7,095,848	5,911,397
Foreign currency reserve	(683,146)	(780,355)
Accumulated deficit	(56,725,180)	(46,936,712)
	7,811,762	16,318,570
Total equity and liabilities	$ 8,133,986	$ 17,091,003

COMMITMENTS (Note 14)
SUBSEQUENT EVENT (Note 17)

Approved by the Board on December 17, 2013

"Gerald Booth"	*"Steven Khan"*
Director	Director

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

(Expressed in Canadian Dollars)

		2013		**2012**
EXPENSES				
Advertising, promotion and investor relations	$	347,413	$	442,982
Director and management fees		521,280		337,117
Depreciation (Note 5)		13,747		14,840
Salary and wages		454,277		725,397
Exploration and evaluation costs (Note 6)		5,522,097		10,679,248
Foreign exchange loss		(17,193)		49,373
Office, administrative and miscellaneous		497,205		611,157
Professional fees		285,945		279,452
Share-based payments (Note 10)		1,184,451		1,202,295
Loss from operations		(8,809,222)		(14,341,861)
OTHER ITEMS				
Interest income		95,279		246,450
Other income (Note 11)		45,909		87,045
Loss on disposal of assets		-		(15,107)
Write-off of mineral property (Note 6)		(1,120,434)		(1,061,774)
Loss before income taxes		(9,788,468)		(15,085,247)
Other comprehensive income/(loss)				
Currency translation adjustment		97,209		(1,001,002)
COMPREHENSIVE LOSS FOR THE YEAR		(9,691,259)		(16,086,249)
BASIC AND DILUTED LOSS PER SHARE	$	(0.07)	$	(0.11)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		142,139,580		142,139,580

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

(Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares	Amount	Share-based Payments Reserve	Foreign Currency Reserve	Accumulated Deficit	Total
Balance at October 1, 2011	142,139,580	$ 58,124,240	$ 4,709,102	$ 220,647	$ (31,851,465)	$ 31,202,524
Loss for the year	-	-	-	-	(15,085,247)	(15,085,247)
Other comprehensive income (loss)	-	-	-	(1,001,002)	-	(1,001,002)
Share-based payments	-	-	1,202,295	-	-	1,202,295
Balance at September 30, 2012	142,139,580	$ 58,124,240	$ 5,911,397	$ (780,355)	$ (46,936,712)	$ 16,318,570
Loss for the year	-	-	-	-	(9,788,468)	(9,788,468)
Other comprehensive income (loss)	-	-	-	97,209	-	97,209
Share-based payments	-	-	1,184,451	-	-	1,184,451
Balance at September 30, 2013	142,139,580	$ 58,124,240	$ 7,095,848	$ (683,146)	$ (56,725,180)	$ 7,811,762

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

(Expressed in Canadian Dollars)

		2013		**2012**
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the year	$	(9,788,468)	$	(15,085,247)
Items not involving cash				
Depreciation		13,747		14,840
Disposal of fixed assets		2,120		15,107
Unrealized foreign exchange loss (gain)		20,978		(580,210)
Interest income		(95,279)		(246,450)
Write-off of mineral property		1,120,434		1,061,774
Share-based payments		1,184,451		1,202,295
		(7,542,017)		(13,617,891)
Working capital adjustments:				
Amounts receivable		69,358		41,906
Due from related party		-		8,780
Prepaid expenses and other assets		13,624		67,053
Accounts payable and accrued liabilities		(440,377)		(961,008)
Asset retirement obligation		(9,832)		(650)
Interest receivable		4,835		68,698
Interest received		134,007		177,752
Cash (used in) operating activities		(7,770,402)		(14,215,360)
INVESTING ACTIVITIES				
Sale and purchase of short-term investments		-		20,000,000
Purchase of equipment		(20,181)		(17,626)
Acquisition of resource properties		(318,330)		(360,399)
Cash provided by (used in) investing activities		(338,511)		19,621,975
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(8,108,913)		5,406,615
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		44,118		(43,747)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		14,969,000		9,606,132
CASH AND CASH EQUIVALENTS, END OF YEAR	$	6,904,205	$	14,969,000

1. NATURE OF OPERATIONS AND GOING CONCERN

Tintina Resources Inc. (the "Company") was incorporated (TSX.V TAU.V) on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The address of the Company's corporate office and its principal place of business is Suite 2560-200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

Management has determined that the Company will be able to continue as a going concern for a reasonable period of time and realize its assets and discharge its liabilities and commitments in the normal course of business, and therefore, these financial statements are prepared on a going concern basis and do not reflect any adjustments that may be necessary of the Company is unable to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company has consistently applied the same accounting policies throughout all periods presented.

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

b) Basis of presentation

These consolidated financial statements have been prepared under the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

Certain figures presented in the Statements of Comprehensive Loss for comparative purposes have been reclassified to conform to current year's presentation. Such reclassification is for presentation purposes only and has no effect on previously reported amounts.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

The consolidated financial statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Tintina American Inc. (“TAI”)	USA	100%
Tintina Alaska Mining, Inc. (“TAMI”)	USA	100%
Tintina Alaska Exploration, Inc. (“TAEI”)	USA	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies.

All intercompany transactions and balances are eliminated on consolidation.

d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company’s cash and cash equivalents are invested with major financial institutions in business accounts, bankers’ acceptances and in government treasury bills which are available on demand by the Company for its programs, and are not invested in any asset backed deposits/investments.

e) Resource properties and exploration and evaluation costs

Resource properties consist of payments to acquire property rights and leases. Property acquisition costs are capitalized. Exploration and evaluation costs are expensed to the statement of comprehensive loss in the periods incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent costs are capitalized into development assets.

Development costs incurred on a mineral property are deferred once management has determined, based on a feasibility study, that, a property is capable of economical commercial production as a result of having established proven and probable reserves. Development costs are carried at cost less accumulated depletion and accumulated impairment charges. Exploration and evaluation costs incurred prior to determining that a property has economically recoverable resources are expensed as incurred.

Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The Company reviews the carrying values of development costs regularly with a view to assessing whether there has been any impairment in value, or whenever events or changes in circumstances that indicate the carrying value may not be recoverable. In the event the estimated discounted cash flows expected from its use or eventual disposition is determined to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

Once a mine has achieved commercial production, mineral properties and development costs are depleted on a units-of-production basis over the life of the mine.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property, plant, and equipment

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recorded over the estimated useful lives of the assets on the declining balance basis at the following annual rates:

Office equipment	14%
Furniture and fixtures	18%
Computer equipment	40%
Computer software	40%

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

g) Foreign currency translation

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and subsidiaries at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the income statement except for monetary items that are designated as part of the company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed, at which time the accumulated amount is reclassified to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currency translation (continued)

ii) The Company and subsidiaries

On consolidation the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

h) Decommissioning, restoration and similar liabilities (“Asset retirement obligation”)

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made.

The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The associated restoration costs are amortized over the expected useful life of the assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

There was no asset retirement obligation recorded at September 30, 2013.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company had no other provisions as at September 30, 2013 and September 30, 2012.

i) Share-based payments

Employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is recognized, together with a corresponding increase in the share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in the employee benefits expense.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share-based payments (continued)

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Income taxes

i) Current income tax

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

Deferred tax is not recognised for all temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes (continued)

ii) Deferred tax (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company’s amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At September 30, 2013, the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

m) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial liabilities (continued)

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized as an operating expense in the statement of comprehensive loss on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements involve the use of judgments and estimates and form 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 amount of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated.

Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods affected are addressed below:

Impairment

Resource exploration involves a high degree of risk and there is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercially viable quantities of minerals. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property to a commercial production stage.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Impairment (continued)

Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is measured at fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in Note 10.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards issued but not yet adopted up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company expects to be applicable to the disclosures, financial position or performance at a future date.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income ("OCI")

The amendments of IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified or be 'recycled' (e.g. foreign currency translation) to net loss at a future point in time would be presented separately from items that will never reclassified (e.g. fair value through OCI items under IFRS 9). The amendment became effective for annual periods beginning on or after July 1, 2012. The amendment will only affect presentation and will incorporate into the Company's financial statements in the first quarter of fiscal year 2014 ("Q1-14").

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (continued)

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 addresses the classifications, measurement and recognition of financial assets and financial liabilities. IFRS 9 was originally issued in November 2009 and reissued in October 2010, and then amended in November 2013. The mandatory effective date of IFRS 9 has tentatively changed to no earlier than annual periods beginning on or after January 1, 2017. IFRS 9 will eventually form a complete replacement for IAS 39 *Financial Instruments: Recognition and Measurement.*

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 *Consolidation – Special Purpose Entities*.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard became effective for annual periods beginning on or after January 1, 2013. The Company intends to adopt IFRS 10 in Q1-14 and does not anticipate having a significant impact on its consolidated financial statements.

IFRS 11 Joint Arrangements

The amendments of IFRS 11 reduce the types of joint arrangements to either joint ventures or joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing choice of proportionate consolidation for jointly controlled entities. Joint operations are arrangements where the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

This standard became effective for annual periods beginning on or after January 1, 2013. The adoption of IFRS 11 in Q1-14 will not have an impact on our consolidated financial statements as there are no joint arrangements.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

This standard became effective for annual periods beginning on or after January 1, 2013. The disclosure requirement IFRS 12 will be incorporated as necessary in the Company's financial statements in Q1-14.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements to improve consistency and to reduce complexity by providing a precise definition of fair value and disclosure requirements.

This standard became effective for annual periods beginning on or after January 1, 2013. The Company does not anticipate a significant impact on its consolidated financial statements.

(Expressed in Canadian Dollars)

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (continued)

IFRIC 20 *Accounting for Stripping Costs in the Production Phase*

This standard applies to waste removal costs from surface mining activity during the production phase. This standard became effective for annual periods beginning on or after January 1, 2013 and IFRIC 20 only impacts companies that are in the production stage.

Amendments to other standards

In addition, there have been other amendments to existing standards, including amendments to IFRS 7 *Disclosures – Offsetting Financial Assets and Liabilities,* IAS 27 – *Separate Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Computer Software	Office Equipment	Furniture and Fixtures	Total
As at September 30, 2011	72,229	65,934	4,542	3,401	146,106
Additions	6,786	10,840	-	-	17,626
Disposals	(6,257)	(4,425)	(2,826)	(1,599)	(15,107)
As at September 30, 2012	72,758	$ 72,349	$ 1,716	$ 1,802	$ 148,625
Additions	20,181	-	-	-	20,181
Disposals	(2,120)	-	-	-	(2,120)
As at September 30, 2013	$ 90,819	$ 72,349	$ 1,716	$ 1,802	$ 166,686

Accumulated Depreciation	Computer Equipment	Computer Software	Office Equipment	Furniture and Fixtures	Total
As at September 30, 2011	53,640	44,339	1,625	1,737	101,341
Depreciation	5,936	8,748	91	65	14,840
As at September 30, 2012	$ 59,576	$ 53,087	$ 1,716	$ 1,802	$ 116,181
Depreciation	7,309	6,438	-	-	13,747
As at September 30, 2013	$ 66,885	$ 59,525	$ 1,716	$ 1,802	$ 129,928

Net book value	Computer Equipment	Computer Software	Office Equipment	Furniture and Fixtures	Total
As at September 30, 2012	$ 13,182	$ 19,262	$ -	$ -	$ 32,444
As at September 30, 2013	$ 23,934	$ 12,824	$ -	$ -	$ 36,758

(Expressed in Canadian Dollars)

6. RESOURCE PROPERTIES

Expenditures for the year ended September 30, 2013 and 2012 are as follows:

Resource properties	October 1, 2012	Acquisition costs for the year	Currency translation	Property Write-down	September 30, 2013
Black Butte Copper	$ 663,732	$ 299,229	$ 46,450	$ -	$ 1,009,411
Baird	386,323	18,257	10,120	(414,700)	-
Kugruk	729,347	844	(24,457)	(705,734)	-
Total	$ 1,779,402	$ 318,330	$ 32,113	$ (1,120,434)	$ 1,009,411

Resource properties	October 1, 2011	Acquisition costs for the year	Currency translation	Property Write-down	September 30, 2012
Black Butte Copper	$ 507,711	$ 195,702	$ (39,681)	$ -	$ 663,732
Baird	336,519	78,202	(28,398)	-	386,323
Kugruk	759,074	85,067	(114,794)	-	729,347
Colorado Creek	1,254,518	1,428	(194,172)	(1,061,774)	-
Total	$ 2,857,822	$ 360,399	$ (377,045)	$ (1,061,774)	$ 1,779,402

	Exploration and evaluation costs for the year ended	
Exploration and evaluation costs	September 30, 2013	September 30, 2012
Black Butte Copper	$ 5,380,961	$ 7,292,345
Baird	133,060	3,252,749
Kugruk	7,564	85,140
Colorado Creek	-	11,238
Other	512	37,776
Total	$ 5,522,097	$ 10,679,248

Black Butte Copper

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary TAEI, entered into mining lease agreements and a surface use agreement (collectively, the “Black Butte Agreements”) with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States. The Black Butte property consists of approximately 7,684 acres of fee-simple lands and 4,541 acres in 239 Federal unpatented lode mining claims in central Montana.

(Expressed in Canadian Dollars)

6. RESOURCE PROPERTIES (continued)

Black Butte Copper

i) Black Butte Copper 2010 Leases (continued)

The Black Butte Agreements provide the Company, through its subsidiary, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by Tintina for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements provide for surface lease payments and, prior to commercial production, advance minimum royalty payments to be paid to the lessors, in cash, and a Net Smelter Returns ("NSR") royalty of 5% after commencement of commercial production, if any. The Company has the right to buy down this royalty to 2% at any time after completion of a feasibility study by making payments to the lessors totalling US$10,000,000.

The following is a schedule of payments as at September 30, 2013:

Payments

$ 142,846	May 2, 2010, execution of agreement (Anniversary Date)
142,846	On May 2, 2011
142,846	On May 2, 2012
234,200	On May 2, 2013
325,530	On May 2, 2014
442,619	On May 2, 2015
11,065,475	$442,619 annually on the Anniversary Date to May 2, 2040
$ 12,496,362	Total lease payments excluding buy down of NSR royalty of 5%

ii) Black Butte Copper 2011 Leases

During the year ended September 30, 2011, the Company, through its subsidiary, staked additional claims on federal lands and entered into mining lease agreements.

The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for surface lease payments and, prior to commercial production, advance minimum royalty payments to be paid to the lessors, in cash, and a NSR royalty of 5% after commencement of commercial production, if any. The Company has the right to buy down this royalty to 2% at any time after completion of a feasibility study by making payments to the lessors totalling US$5,000,000.

(Expressed in Canadian Dollars)

6. RESOURCE PROPERTIES (continued)

Black Butte Copper

ii) Black Butte Copper 2011 Leases (continued)

The following is a schedule of payments as at September 30, 2013:

Payments

$ 5,152	June 10, 2011, execution of agreement (Anniversary Date)
15,455	On December 10, 2011, six months following the Agreement date
41,212	On June 10, 2012 and on June 10, 2013 ($20,606 each year)
77,274	On June 10, 2014, on June 10, 2015, and on June 10, 2016 ($25,758 each year)
92,727	On June 10, 2017, on June 10, 2018, and on June 10, 2019 ($30,909 each year)
108,183	On June 10, 2020, on June 10, 2021, and on June 10, 2022 ($36,061 each year)
123,636	On June 10, 2023, on June 10, 2024, and on June 10, 2025 ($41,212 each year)
824,240	$51,515 annually on the 15th Anniversary Date to June 10, 2041
$ 1,287,879	Total lease payments excluding buy down of NSR royalty of 5%

Alaska Properties

a) Baird

As at September 30, 2013, the Company wrote off $414,700 of its mineral property interest in Baird as the Company focuses its efforts on the Black Butte Copper project.

Subsequent to year end September 30, 2013, the Company did not renew the Baird claims and returned 60 claims to a non-resident party.

b) Kugruk

On May 1, 2013, the Company sold its interest in the mineral claims of the Kugruk property to an unrelated third party for a nominal amount. The Company retains a royalty interest in the mineral claims in the form of a 1.5% NSR on any proceeds derived from mining and sale of minerals. Further, the Company retains a first right of refusal for a period limited to 10 years, in the event the mineral claims were elected to be transferred to another third party or allowed to lapse. As at September 30, 2013, the Company wrote off $705,734 of its mineral property interest in Kugruk.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2013	September 30, 2012
Trade payables	113,149	504,744
Accrued liabilities and other	209,075	257,857
	322,224	762,601

(Expressed in Canadian Dollars)

8. ASSET RETIREMENT OBLIGATION

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements and have been measured at fair value. Fair value is determined based on the net present value of future cash expenditures upon reclamation and closure.

Reclamation and closure costs are capitalized into PPE dependent on the nature of the asset related to the obligation and amortized over the life of the related asset.

The asset retirement obligation relates to reclamation and closure costs of the Company's Colorado Creek Property. During the year ended September 30, 2013, the Company completed its obligation. There are no other asset retirement obligations for the Company's other resource properties.

The following is an analysis of the asset retirement obligation:

Balance, As at September 30, 2011	$	10,482
Foreign exchange		(650)
Balance, As at September 30, 2012	$	9,832
Write-off		(9,832)
Balance, As at September 30, 2013	$	-

9. SHARE CAPITAL

a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding 142,139,580 (September 30, 2012 – 142,139,580) common shares

Warrants

The following table summarizes the continuity of the Company's warrants:

Exercise Price	Balance at October 1, 2012	Issued	Exercised	Expired	Balance at September 30, 2013	Expiry Date
$0.65	12,500,000	-	-	-	12,500,000	February 2, 2014
	12,500,000	-	-	-	12,500,000	

Exercise Price	Balance at October 1, 2011	Issued	Exercised	Expired	Balance at September 30, 2012	Expiry Date
$0.65	12,500,000	-	-	-	12,500,000	February 2, 2014
$0.49	10,082,970	-	-	(10,082,970)	-	May 20, 2012
	22,582,970	-	-	(10,082,970)	12,500,000	

(Expressed in Canadian Dollars)

10. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company adopted a rolling stock option plan (the “Plan”) to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant and are exercisable at a price not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to $0.50, a discount of 20% for a closing price of $0.51 to $2.00, and a discount of 15% for a closing price above $2.00, subject to a minimum of $0.10).

On October 23, 2012, the Company granted to directors, officers, employees and consultants a total of 4,779,264 stock options under the Company's Stock Option Plan. The options are exercisable at a price of $0.30 per share for a period of 5 years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

On November 14, 2012, the Company granted to directors and officers a total of 676,736 stock options under the Company's Stock Option Plan. The options are exercisable at a price of $0.30 per share for a period of 5 years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 2011	8,089,878	$0.68
Granted	1,815,000	$0.50
Forfeited	(316,668)	$0.86
Cancelled	(461,373)	$0.71
Expired	(550,544)	$0.63
Balance, September 30, 2012	8,576,293	$0.64
Granted	5,456,000	$0.30
Forfeited	(403,337)	$0.38
Cancelled	(3,334)	$0.50
Expired	(426,662)	$0.47
Balance, September 30, 2013	13,198,960	$0.51

(Expressed in Canadian Dollars)

10. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)

The following table summarizes stock options outstanding and exercisable at September 30, 2013:

	Options Outstanding			Options Exercisable	
Exercise Price $	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price $	Number Exercisable	Weighted Average Exercise Price $
0.30	5,027,666	4.07	0.30	1,676,990	0.30
0.49	1,700,817	0.44	0.49	1,700,817	0.49
0.50	3,238,333	2.39	0.50	2,734,994	0.50
0.55	100,000	1.73	0.55	100,000	0.55
0.61	350,000	2.14	0.61	350,000	0.61
0.90	2,429,999	2.37	0.90	2,429,999	0.90
0.99	302,145	0.79	0.99	302,145	0.99
1.04	50,000	2.40	1.04	50,000	1.04
	13,198,960	2.73	0.51	9,344,945	0.59

The fair value of stock options granted during the year ended September 30, 2013 has been estimated using the Black Scholes model. For purposes of the calculation, the following assumptions were used under the Black Scholes option pricing model:

	September 30, 2013	**September 30, 2012**
Risk free interest rate	1.39%	1.37%
Expected dividend yield	0%	0%
Expected stock price volatility	112%	108%
Expected life of options	5 years	5 years

For the purpose of recognizing share-based payment expense, the Company estimates forfeiture rate of 4.3% based on prior experience (September 30, 2012 – 2.83%).

Stock options outstanding at September 30, 2013, will expire between March 9, 2014 and November 14, 2017. All stock options are equity-settled share-based payments.

11. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following transactions with related parties:

		2013		**2012**
Payments to related parties:				
Service agreement fees (a)		4,363		23,183
	$	4,363	$	23,183
Services provided to related parties:				
Rental income (b)	$	10,500	$	24,000
Administration and finance income (b)		17,938		66,955
	$	28,438	$	90,955

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

a) NovaGold is a related party, having a director in common with the Company. Service fees were incurred and paid to NovaGold under an arms-length market-based service agreement for exploration services, human resource and land management services. The agreement was terminated effective June 3, 2013. As at September 30, 2013, outstanding balance was $nil (September 30, 2012 - $nil).

b) Rental fees, geological services fees, and administration and finance fees were charged to related parties as follows:

AsiaBaseMetals Inc. is a related party having three directors and a major shareholder in common with the Company. The Company earned $10,500 and $17,938 of rental income and administrative and finance income respectively during the year ended September 30, 2013. As at September 30, 2013, rent and administrative fees of $nil (September 30, 2012 - $nil) were due from AsiaBaseMetals Inc.

Key management personnel compensation:

The remuneration of directors and other members of key management is as follows:

		2013		**2012**
Short-term benefits	$	1,112,539	$	1,162,307
Share-based payments		759,504		833,021
Total remuneration	$	1,872,043	$	1,995,328

During the year ended September 30, 2013, separation payment of $100,000 was paid to the previous CEO of the Company.

12. INCOME TAXES

a) Current taxes

Income tax differs from the amount that would result from applying the combined Canadian federal and provincial income tax rates due to the following:

		2013		**2012**
Loss before income tax	$	(9,788,468)	$	(15,085,247)
Canadian statutory income tax rate		25.50%		25,63%
Income tax recovery at statutory rate	$	(2,496,059)	$	(3,866,351)
Effect of income taxes of:				
Permanent differences and other		(1,058,218)		612,888
Changes in tax rate		(1,252,637)		(1,402,204)
Tax effect of tax losses and temporary differences not recognized		4,229,787		4,643,418
Change in estimate and others		577,127		12,249
	$	-	$	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

b) Unrecognized deferred tax assets

As at September 30, 2013, the Company had the following deductible temporary differences for which deferred tax assets have not been recognized, because it is not probable that future profit will be available against which these temporary differences may be applied.

		2013		**2012**
Non-capital loss carry-forwards	$	17,315,642	$	13,851,281
Resource property		29,940,382		21,156,334
Share issuance costs		45,648		74,171
Other		2,462,468		1,070,346
Total unrecognized deferred tax assets	$	49,764,140	$	36,152,133

As at September 30, 2013, the Company and its subsidiaries have non-capital losses carried forward of approximately $17,315,000 (2012 - $14,380,000) available to reduce taxable income in future years, expiring as follows:

Expiry of Tax Losses	US	Canada	**2013**	**2012**
2014		$ 273,000	$ 273,000	$ 273,000
2015		200,000	200,000	200,000
2026		427,000	427,000	427,000
2027		482,000	482,000	482,000
2028		702,000	702,000	702,000
2029		1,081,000	1,081,000	1,289,000
2030	$ 3,803,000	1,224,000	5,027,000	5,348,000
2031	51,000	1,830,000	1,881,000	1,879,000
2032	154,000	1,945,000	2,099,000	3,780,000
2033	3,387,000	1,755,000	5,143,000	-
Total tax losses	$ 7,395,000	$ 9,919,000	$ 17,315,000	$ 14,380,000

The Company also has certain allowances in respect of resource development and exploration costs, which subject to certain restrictions, are available to be offset against future taxable income.

The Company has not recognized any future income tax assets. The Company has recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward periods to utilize all future tax assets.

13. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of resource properties. The resource properties are located in Montana in the United States.

(Expressed in Canadian Dollars)

13. SEGMENT INFORMATION (continued)

As at September 30, 2013

	Canada	United States	Total
Other Assets	5,807,554	1,317,021	7,124,575
Resource properties	-	1,009,411	1,009,411
Total Assets	$ 5,807,554	$ 2,326,432	$ 8,133,986
Total Liabilities	$ 98,688	$ 223,536	$ 322,224

As at September 30, 2012

	Canada	United States	Total
Other Assets	13,357,416	1,954,185	15,311,601
Resource properties	-	1,779,402	1,779,402
Total Assets	$ 13,357,416	$ 3,733,587	$ 17,091,003
Total Liabilities	$ 215,672	$ 556,761	$ 772,433

	Canada	United States	Total
Loss for the year ended September 30, 2013	$ (1,827,872)	$ (7,960,596)	$ (9,788,468)
Loss for the year ended September 30, 2012	$ (3,353,583)	$ (11,731,664)	$ (15,085,247)

14. COMMITMENTS

a) In June 2012, the Company entered into a sublease lease agreement for office premises at a rate of $147,358 per annum for a three year term expiring on August 30, 2015. As at September 30, 2013, future payments committed are $282,436.

b) The Company has commitments to incur exploration and evaluation costs as disclosed in Note 6.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to.

As at September 30, 2013, the Company had capital resources consisting of cash and amounts receivable. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year.

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial instruments include cash, amounts receivable, and accounts payable, all are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Liquidity Risk

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

Interest Rate Risk

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned $95,279 in interest income during the year ended September 30, 2013.

Credit Risk

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

Foreign Currency Risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash and cash equivalents, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above mentioned risks and there has been no significant change in the Company's exposure to each risk during the year ended September 30, 2013.

17. SUBSEQUENT EVENT

As at September 30, 2013, the Company discontinued exploration on the Baird property and recognized impairment. As of November 30, 2013, the Company decided not to renew the Baird claims and returned 60 claims to a non-related party (Note 6).