TINTINA RESOURCES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

DECEMBER 31, 2013

(UNAUDITED – PREPARED BY MANAGEMENT)

TINTINA RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

February 25, 2014

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013 AND SEPTEMBER 30, 2012

(Unaudited - Expressed in Canadian Dollars)

		December 31, 2013		September 30, 2013
ASSETS				
Current				
Cash and cash equivalents	$	5,716,543	$	6,904,205
Amounts receivable		32,587		36,931
Amounts due from related party (Note 7)		7,165		-
Prepaid expenses and other assets		112,578		146,681
		5,868,873		7,087,817
Non-current				
Property, plant and equipment (Note 3)		33,203		36,758
Resource properties (Note 4)		1,047,568		1,009,411
		1,080,771		1,046,169
Total assets	$	6,949,644	$	8,133,986
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	402,018	$	322,224
		402,018		322,224
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		58,124,240		58,124,240
Share-based payment reserve		7,166,428		7,095,848
Foreign currency reserve		(592,552)		(683,146)
Accumulated deficit		(58,150,490)		(56,725,180)
		6,547,626		7,811,762
Total equity and liabilities	$	6,949,644	$	8,133,986

COMMITMENTS (Note 9)

Approved by the Board on February 25, 2014

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

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012
EXPENSES		
Advertising, promotion and investor relations	$ 22,834	$ 141,347
Director and management fees	91,403	80,000
Depreciation	3,555	3,137
Salary and wages	101,529	153,319
Exploration and evaluation costs (Note 4)	1,055,170	2,809,276
Foreign exchange (gain) loss	(4,108)	2,504
Office, administration and miscellaneous	96,232	92,664
Professional fees	23,929	60,560
Share-based payments (Note 6)	70,580	657,855
Loss from operations	(1,461,124)	(4,000,662)
OTHER ITEMS		
Interest income	11,443	36,548
Other income (Note 7)	24,371	20,000
Loss for the period	(1,425,310)	(3,944,114)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments gain (loss)	90,594	40,414
COMPREHENSIVE LOSS FOR THE PERIOD	$ (1,334,716)	$ (3,903,700)
BASIC AND DILUTED LOSS PER SHARE	$ (0.01)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	142,139,580	142,139,580

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(Unaudited - Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares	Amount	Share-based Payments Reserve	Foreign Currency Reserve	Accumulated Deficit	Total
Balance at October 1, 2012	142,139,580	$ 58,124,240	$ 5,911,397	$ (780,355)	$ (46,936,712)	$ 16,318,570
Loss for the period	-	-	-	-	(3,944,114)	(3,944,114)
Other comprehensive income (loss)	-	-	-	40,414	-	40,414
Share-based payments	-	-	657,855	-	-	657,855
Balance at December 31, 2012	142,139,580	$ 58,124,240	$ 6,569,252	$ (739,941)	$ (50,880,826)	$ 13,072,725
Balance at October 1, 2013	142,139,580	$ 58,124,240	$ 7,095,848	$ (683,146)	$ (56,725,180)	$ 7,811,762
Loss for the period	-	-	-	-	(1,425,310)	(1,425,310)
Other comprehensive income (loss)	-	-	-	90,594	-	90,594
Share-based payments	-	-	70,580	-	-	70,580
Balance at December 31, 2013	142,139,580	$ 58,124,240	$ 7,166,428	$ (592,552)	$ (58,150,490)	$ 6,547,626

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the period	$ (1,425,310)	$ (3,944,114)
Items not involving cash		
Depreciation	3,555	3,137
Interest income	(11,443)	(36,548)
Unrealized foreign exchange loss (gain)	(35,105)	14,002
Share-based payments	70,580	657,855
	(1,397,723)	(3,305,668)
Working capital adjustments:		
Amounts receivable	4,344	13,597
Due from related parties	(7,165)	(20,000)
Prepaid expenses and other assets	34,103	(248,558)
Accounts payable and accrued liabilities	79,794	(118,351)
Due to related party	-	1,133
Asset retirement obligation	-	117
Interest receivable	7,355	-
Interest received	4,073	7,985
Cash provided by (used in) operating activities	(1,275,219)	(3,669,745)
INVESTING ACTIVITIES		
Purchase of equipment	-	(2,598)
Resource properties	(5,318)	(7,436)
Cash provided by (used in) investing activities	(5,318)	(10,034)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(1,280,537)	(3,679,779)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	92,875	(7,395)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	6,904,205	14,969,000
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 5,716,543	$ 11,281,826

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 interim condensed consolidated financial statements are unaudited and have been prepared in compliance with International Financial Reporting Standards ("IFRS"), including IAS 34 - Interim Financial Reporting ("IAS 34"). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These interim condensed consolidated financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended September 30, 2013.

b) Basis of preparation

Subsidiaries

These interim condensed financial statements include the accounts of the Company and its wholly owned US subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Adoption of new or amended accounting standards

The Company has adopted the following changes to the IFRS and IFRIC, effective October 1, 2013.

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 be reclassified (e.g. fair value through OCI items under IFRS 9). The amendment affects presentation only and has been incorporated into the Company's interim condensed financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 provides definition of control under IFRS such that the same criteria applied to all entities. The revised definition of control focuses on the need to have power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. The adoption of IFRS 10 did not result in a change in the consolidation status of any of the Company's subsidiaries or investee.

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. With no joint arrangements, the adoption of IFRS 11 did not have an impact on the interim condensed consolidated financial statements.

IFRS 12 Disclosure of Interests in 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. IFRS 12 sets out a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements, associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structures entities. The Company has adopted IFRS 12 and added additional disclosures in Note 2(b).

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. The full disclosure requirements of IFRS 13 will be incorporated in the Company's annual financial statements for the year ended September 30, 2014. In addition, IAS 34 - Interim Financial Reporting has been amended to include certain IFRS 13 disclosures in interim financial statements. The fair value disclosure requirements under IAS 34 are included in Note 10.

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Adoption of new or amended accounting standards (continued)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. The adoption of IFRIC 20 did not have an impact on the interim condensed consolidated financial statements as the Company is not yet in production phase.

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Computer Software	Office Equipment	Furniture and Fixtures	Total
As at October 1, 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
As at December 31, 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 October 1, 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
Depreciation	2,315	1,240	-	-	3,555
As at December 31, 2013	$ 69,200	$ 60,765	$ 1,716	$ 1,802	$ 133,483

Net book value	Computer Equipment	Computer Software	Office Equipment	Furniture and Fixtures	Total
As at September 30, 2013	$ 23,934	$ 12,824	$ -	$ -	$ 36,758
As at December 31, 2013	$ 21,619	$ 11,584	$ -	$ -	$ 33,203

(Unaudited - Expressed in Canadian Dollars)

4. RESOURCE PROPERTIES

Expenditures as at December 31, 2013 and September 30, 2013:

Resource properties		October 1, 2013		Acquisition costs for the three month period		Currency translation		December 31, 2013
Black Butte Copper	$	1,009,411	$	5,318	$	32,839	$	1,047,568
Total	$	1,009,411	$	5,318	$	32,839	$	1,047,568

.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

Exploration and evaluation costs	Exploration and evaluation costs for the three months ended December 31, 2013		December 31, 2012	
Black Butte Copper	$	1,053,654	$	2,695,836
Baird		-		107,130
Kugruk		-		4,161
Other		1,516		2,149
Total	$	1,055,170	$	2,809,276

Black Butte Copper

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary, Tintina Alaska Exploration Inc. (“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.

The Black Butte Agreements provide the Company, through TAEI, 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 the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and, prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of US$12,200,000 in cash (schedule Payments 1), and a Net Smelter Returns (“NSR”) royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$10,000,000.

(Unaudited - Expressed in Canadian Dollars)

4. RESOURCE PROPERTIES (continued)

Black Butte Copper (continued)

i) Black Butte Copper 2010 Leases (continued)

The following is a schedule of payments, translated to Canadian dollars, as at December 31, 2013:

Payments 1

$ 147,463	May 2, 2010, execution of agreement (Anniversary Date)
147,463	On May 2, 2011
147,463	On May 2, 2012
241,768	On May 2, 2013
336,052	On May 2, 2014
456,925	On May 2, 2015
11,423,125	$456,925 annually on the Anniversary Date to May 2, 2040
$ 12,900,259	Total lease payments, excluding buydown 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 prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of US$1,250,000 in cash (schedule Payments 2), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$5,000,000.

The following is a schedule of payments, translated to Canadian dollars, as at December 31, 2013:

Payments 2

$ 5,318	June 10, 2011, execution of agreement (Anniversary Date)
15,954	On December 10, 2011, six months following the Agreement date
42,544	On June 10, 2012 and on June 10, 2013 ($21,272 each year)
79,770	On June 10, 2014, on June 10, 2015, and on June 10, 2016 ($26,590 each year)
95,724	On June 10, 2017, on June 10, 2018, and on June 10, 2019 ($31,908 each year)
111,678	On June 10, 2020, on June 10, 2021, and on June 10, 2022 ($37,226 each year)
127,632	On June 10, 2023, on June 10, 2024, and on June 10, 2025 ($42,544 each year)
850,880	$53,180 annually on the 15th Anniversary Date to June 10, 2041
$ 1,329,500	Total lease payments, excluding buydown of NSR royalty of 5%

5. 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, 2013 – 142,139,580) common shares. See Condensed Consolidated Statements of Changes in Equity for details.

Warrants

As at December 31, 2013, the Company had 12,500,000 warrants outstanding (September 30, 2013 – 12,500,000). Warrants outstanding at December 31, 2013 expired on February 2, 2014 (Note 11).

6. 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.

On December 20, 2013, the Company granted to directors, officers, employees and consultants a total of 1,005,000 stock options under the Company’s Stock Option Plan. The options are exercisable at a price of $0.17 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.

(Unaudited - Expressed in Canadian Dollars)

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

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 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
Granted	1,005,000	$0.17
Cancelled	(96,335)	$0.36
Expired	(1,666)	$0.50
Balance, December 31, 2013	14,105,959	$0.49

The following table summarizes stock options outstanding and exercisable at December 31, 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 $
0.17	1,005,000	4.97	0.17	334,997	0.17
0.30	4,957,999	3.82	0.30	3,350,656	0.30
0.49	1,700,817	0.19	0.49	1,700,817	0.49
0.50	3,209,999	2.13	0.50	2,734,994	0.50
0.55	100,000	1.48	0.55	100,000	0.55
0.61	350,000	1.89	0.61	350,000	0.61
0.90	2,429,999	2.12	0.90	2,429,999	0.90
0.99	302,145	0.54	0.99	302,145	0.99
1.04	50,000	2.15	1.04	50,000	1.04
	14,105,959	2.64	0.49	11,353,608	0.53

The fair value of stock options granted during the three months ended December 31, 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:

	For the three months ended December 31, 2013	**December 31, 2012**
Risk-free interest rate	1.83%	1.39%
Expected dividend yield	0%	0%
Expected stock price volatility	114%	112%
Expected life of options	5 years	5 years

(Unaudited - Expressed in Canadian Dollars)

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

For the purpose of recognizing share-based payment expense, the Company estimates forfeiture rate of 4.1% based on prior experience (September 30, 2013 – 4.3%).

Stock options outstanding at December 31, 2013 will expire between March 9, 2014 and December 20, 2018.

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following transactions with related parties:

		Three months ended		
		December 31, 2013		**December 31, 2012**
Services provided to related party:				
Rental income (a)	$	1,500	$	6,000
Administration and finance income (a)		5,665		14,000
	$	7,165	$	20,000

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

AsiaBaseMetals Inc. is a related party having three directors and a major shareholder in common with the Company. The Company earned $1,500 and $5,665 of rental income and administrative and finance income respectively during the three months ended December 31, 2013. As at December 31, 2013, rent and administrative fees of $7,165 (September 30, 2013 - $nil) were due from AsiaBaseMetals Inc.

Key management personnel compensation:

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

		Three months ended		
		December 31, 2013		**December 31, 2012**
Short-term benefits	$	227,815	$	206,608
Share-based payments		98,830		569,489
Total remuneration	$	326,645	$	776,097

(Unaudited - Expressed in Canadian Dollars)

8. 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 the States of Alaska and Montana in the United States.

As at December 31, 2013

	Canada	United States	Total
Other Assets	4,536,486	1,365,590	5,902,076
Resource properties	-	1,047,568	1,047,568
Total Assets	$ 4,536,486	$ 2,413,158	$ 6,949,644
Total Liabilities	$ 98,978	$ 303,040	$ 402,018

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

	Canada	United States	Total
Loss for the three months ended December 31, 2013	$ 808,777	$ (2,234,087)	$ (1,425,310)
Loss for the three months ended December 31, 2012	$ (823,076)	$ (3,121,038)	$ (3,944,114)

9. 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 December 31, 2013, future payments committed are $245,597.

b) The Company has commitments to incur exploration and evaluation costs as disclosed in Note 4.

10. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - 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 are for the asset or liability that are not based on observable market data (unobservable inputs).

(Unaudited - Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Fair value classification

		December 31, 2013		**September 30, 2013**
Financial assets:				
Cash and cash equivalents	$	5,716,543	$	6,904,205
Amounts receivable		32,587		36,931
	$	5,749,130	$	6,941,136
Financial liabilities:				
Accounts payable and accrued liabilities	$	402,018	$	322,224
	$	402,018	$	322,224

The Company's financial assets and liabilities are measured using Level 1 inputs on a recurring basis and the carrying value of financial assets and liabilities approximates their fair value as at December 31, 2013.

11. SUBSEQUENT EVENT

On February 2, 2014, 12,500,000 warrants outstanding expired. As a result, there were no warrants outstanding subsequent to period end.