Golden Cariboo Resources Ltd.

FINANCIAL STATEMENTS

For the years ended September 30, 2013 and 2012

(Expressed in Canadian Dollars)

CONTENTS

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the shareholders of Golden Cariboo Resources Ltd.

We have audited the accompanying financial statements of Golden Cariboo Resources Ltd., which comprise the statements of financial position as at September 30, 2013 and 2012, and the statements of loss and 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 Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Golden Cariboo Resources Ltd. 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the accompanying financial statements which indicates that the company had accumulated losses to date totaling $11,811,769 and had a working capital deficiency of $52,799 at September 30, 2013. These conditions, along with other matters as set forth in Note 2, indicate the existence of material uncertainties that may cast significant doubt regarding the ability of the Company to continue operating as a going concern.

"BDO CANADA LLP"

Chartered Accountants
Vancouver, BC
January 24, 2014

Expressed in Canadian Dollars

		September 30, 2013		September 30, 2012
Assets				
Current assets:				
Cash	**$**	**491,578**	$	12
Amounts receivable		**-**		2,091
Prepaid expenses (note 11(d))		**2,000**		2,000
Total current assets		**493,578**		4,103
Non-current assets				
Mineral property (note 7)		**177,321**		-
Investments (note 6)		**1,378,186**		2,266,020
Total non-current assets		**1,555,507**		2,266,020
Total assets	**$**	**2,049,085**	$	2,270,123
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**542,407**	$	505,244
Due to related parties (note 11(c))		**3,970**		782,184
Total liabilities		**546,377**		1,287,428
Shareholders' equity				
Share capital (note 8)		**11,612,480**		10,227,559
Share-based payment reserve (note 9)		**1,701,997**		1,494,997
Accumulated other comprehensive income		**-**		659,949
Accumulated deficit		**(11,811,769)**		(11,399,810)
Total shareholders' equity		**1,502,708**		982,695
Total liabilities and shareholders' equity	**$**	**2,049,085**	$	**2,270,123**

Approved on behalf of the board:

"J. Frank Callaghan"

J. Frank Callaghan Director

"Andrew Rees"

Andrew Rees Director

The accompanying notes form an integral part of these financial statements

Expressed in Canadian Dollars

		2013		2012
Expenses				
Consulting fees		**11,950**		-
Exploration costs		**16,376**		-
Management fees (note 11)		**60,000**		60,000
Office and miscellaneous (note 11)		**2,592**		1,203
Professional fees		**20,945**		36,091
Rent (note 11)		**3,793**		3,974
Public relations and advertising		**27,689**		1,138
Salaries and benefits (note 11)		**26,926**		26,713
Transfer agent and filing fees		**16,428**		8,862
Travel		**1,700**		3,380
Total expenses		**(188,399)**		(141,361)
Other items				
Other than temporary impairment on marketable Securities (note 6)		**(141,885)**		**-**
Interest Income (note 11)		**4,325**		**-**
Gain on sale of marketable securities (note 6)		**-**		18,297
Loss for the year before income tax	**$**	**(325,959)**	$	(123,064)
Income tax expense		**(86,000)**		(4,669)
Net loss after income tax		**(411,959)**		(127,733)
Unrealised (loss) / gain on marketable securities (note 6)		**(659,949)**		139,653
Realised loss on marketable securities (note 6)		**-**		(172,330)
Total comprehensive loss for the period		**(1,071,908)**		(160,410)
Loss per common share basic and diluted	**$**	**(0.03)**		(0.02)
Weighted average number of shares outstanding		**12,239,903**		7,085,969

Expressed in Canadian Dollars

	Number of Shares	Share Capital	Share based payments reserves	Accumulated other comprehensive income	Deficit	Total
Balance at October 1, 2011	**7,085,969**	**$10,227,559**	**$1,494,997**	**$692,626**	**$(11,272,077)**	**$1,143,105**
Loss for the period	-	-	-	-	(127,733)	(127,733)
Realized loss on marketable securities	-	-	-	(172,330)	-	(172,330)
Unrealized gain on marketable securities	-	-	-	139,653	-	139,653
Balance at September 30, 2012	**7,085,969**	**$10,227,559**	**$1,494,997**	**$659,949**	**$(11,399,810)**	**$982,695**
Loss for the period	-	-	-	-	(411,959)	(411,959)
Share capital issued	6,000,000	1,293,000	207,000	-	-	1,500,000
Shares issued pursuant to option agreement	770,961	177,321	-	-	-	177,321
Finder's fees	-	(85,400)	-	-	-	(85,400)
Unrealized loss on marketable securities	-	$ -	$ -	(659,949)	-	(659,949)
Balance at September 30, 2013	**13,856,930**	**$11,612,480**	**$ 1,701,997**	**$ -**	**$(11,811,769)**	**$1,502,708**

The accompanying notes form an integral part of these financial statements

Expressed in Canadian Dollars

		2013		2012
Cash flows from operating activities				
Loss for the period	$	(411,959)	$	(127,733)
Items not involving cash				
Deferred income tax expense (recovery)		86,000		4,669
Impairment of marketable securities		141,885		
Gain on disposal of marketable securities		-		(18,297)
Changes in non-cash working capital:				
Amounts receivable		2,091		5,261
Accounts payable and accrued liabilities		37,163		3,927
Related parties				52,538
Total outflows from operating activities	$	(144,820)	$	(79,635)
Cash flows from financing activities				
Amounts received from related parties		-		72,350
Amounts paid to related parties		(778,214)		-
Share issue cost		(85,400)		-
Shares issued for cash		1,500,000		-
Total cash outflows from financing activities	$	636,386		72,350
Cash flows from investing activities				
Proceeds fron sale of marketable securities, net of cost		-		343,010
Purchase of Investment		-		(343,485)
Total cash inflows (outflows) from investing activities	$	-	$	(475)
Total increase in cash during the period		491,566	$	(7,760)
Cash at the beginning of the period		12	$	7,772
Cash at the end of the period	$	491,578		12

The accompanying notes form an integral part of these financial statements

1. CORPORATE INFORMATION

The Company was incorporated on October 6, 1988 under the Company Act (British Columbia). Its principal business activities are the exploration and development of resource properties. The Company is listed on the NEX Board of the TSX Venture Exchange, under the symbol GCC-H.

The address of the Company's corporate office and principal place of business is 1500-675 West Hastings Street, Vancouver British Columbia, Canada.

2. BASIS OF PREPARATION

a) Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRC") applicable to the preparation of these financial statements.

The financial statements were authorized for issue by the Board of Directors on January 24, 2014.

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Going Concern of Operations

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. At September 30, 2013, the Company has a working capital deficiency of $52,799 (September 30, 2012: $1,283,325), has an accumulated deficit of $11,811,769 (September 30, 2012: $11,399,810) and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuing operations and its ability to discharge its liabilities and fulfill its commitments as they come due, is dependent upon the ability of the Company to continue to obtain debt or equity financing in the short term, the continued support of related parties, and ultimately, on locating economically recoverable ore reserves in its mineral properties. Continuing operations are also dependant on the Company being able to dispose of its marketable securities in the manner most beneficial to the Company. Management believes the Company will be successful at securing additional funding for its exploration and development program and it will be able to continue to operate as a going concern for the foreseeable future. There can, however, be no assurance that such plans will be successful.

If the Company is unable to obtain adequate additional financing, the continued support of related parties, or dispose of its marketable securities, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which would differ significantly from the going concern basis.

The underlying value and the recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production from or the proceeds from the disposition of its mineral properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

b) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Acquisition costs to obtain the legal right to explore a property are capitalized. Direct expenditures costs such as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase are expensed. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are also expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

d) Financial Instruments

Financial Assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities and other payables. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured and are usually paid within 90 days of recognition.

e) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount 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.

f) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Diluted loss per share would not differ from basic loss per share as the effect of the exercise of options and warrants would be anti-dilutive.

j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2012 or later periods.

The following new standards, amendments and interpretations, that have not been early adopted in these financial statements, will or may have an effect on the Company's future results and financial position:

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

- IFRS 11 Joint Arrangements

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. This standard is applicable for annual periods beginning on or after January 1, 2013 but is available for early adoption so long as IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements (2011) and IAS 28 Investments in Associates and Joint Ventures (2011) are also early applied. The Company is in the process of assessing the impact that the adoption of this standard may have on its financial statements.

- IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Management has yet to assess the impact that IFRS 13 is likely to have on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Amendment to IAS 32 Financial Instruments: Presentations

The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realization and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements. The standard is effective for annual periods beginning on or after January 1, 2014. The Company is in the process of evaluating the impact that the adoption of this standard may have on its financial statements.

- Amendment to IFRS 7, Financial Instruments Disclosure

Amended standard IFRS 7 Financial Instruments: Disclosures outlines the disclosures required when initially applying IFRS 9 Financial Instruments. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact that the adoption of this standard may have on its financial statements.

The following new standards, amendments and interpretations, that have not been early adopted in these financial statements, will not have a foreseeable effect on the Company's results and financial position:

- IFRS 10 Consolidated Financial Statements (Effective for periods beginning on or after January 1, 2013)
- IFRS 12 Disclosure of Interests in Other Entities (Effective for periods beginning on or after January 1, 2013)
- IAS 27 Separate Financial Statements (Effective for periods beginning on or after January 1, 2013)
- IAS 28 Investments in Associates and Joint Ventures (Effective for periods beginning on or after January 1, 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (Effective for periods beginning on or after January 1, 2013)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Golden Cariboo Resources Ltd. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Expressed in Canadian Dollars

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

i) Valuation of Investment

The Company's available-for-sale investment consists of an investment in common shares of Barkerville Gold Mines Ltd. ("Barkerville"). On August 14, 2012, Barkerville was subject to a cease trade order, which prevented the Company from selling shares. Subsequent to September 30, 2013 the cease trade order was lifted, and Barkerville's shares resumed trading. Management has reviewed certain information and transactions and the trading activity that occurred during the period subsequent to the cease trade order ("CTO") to determine its investment's fair value. (See note 6.)

5. CASH AND CASH EQUIVALENTS

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates.

6. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment consists of an investment in common shares of Barkerville Gold Mines Ltd. ("Barkerville"), and therefore has no fixed maturity date or coupon rate.

	Barkerville Gold Mines Ltd.	
	Number of Shares	Fair Value
September 30, 2011	1,857,393	$2,284,593
Disposal	(404,100)	(343,485)
Addition	404,100	343,485
Revaluation	-	(18,573)
September 30, 2012	1,857,393	$2,266,020
Revaluation	-	(887,834)
September 30, 2013	1,857,393	$1,378,186

On December 5, 2011 the Company entered into an agreement to sell 404,100 common shares at $0.85, at a price equal to a concurrent private placement being completed by Barkerville Gold Mines Ltd. ("Barkerville"). The proceeds from the sale of the shares were applied to purchase 404,100 units at $0.85 in Barkerville through the concurrent private placement, with each unit comprising of one common share and one half of one common share purchase warrant. The Company's shareholding in Barkerville was unchanged, however the Company obtained 202,050 warrants exercisable at $1.10 per share until July 17, 2013. This transaction resulted in the realization of a previously unrealized gain included in accumulated other comprehensive income of $172,330 (2011: $Nil) and resulted in a gain of $18,297 (2011: $Nil) in comprehensive loss.

At September 30, 2012, the fair value of a Barkerville share was $1.22 per share, which represents an unrealized mark-to-market gain of $139,653 net of future income tax expense of $4,669, recorded in other comprehensive loss.

As at August 14, 2012, Barkerville was subject to a cease trade order which prevented the Company from selling shares. Subsequent to September 30, 2013 the cease trade order was lifted, and Barkerville's shares resumed trading. The fair value of the Company's investment in Barkerville was estimated using the weighted average price of $0.74 per share (2012: $1.22), based on the five day trading period commencing on the sixth trading day after the reinstatement of the Company's common shares for trading, which represented an unrealized mark-to-market loss of $887,834 (2012:$18,573). The 2013 revaluation is considered other than temporary and is recorded as a $659,949 reversal of previously recorded accumulated other comprehensive gain and a $227,885 less $86,000 one time tax expense ($141,885) impairment included in the current year's net loss in the net loss for the year.

7. MINERAL PROPERTIES

On January 18, 2012 the Company entered into an option agreement with Golden Valley Mines Ltd. ("Golden Valley") and Integra Gold Corp. ("Integra") in respect of a portfolio consisting of twelve properties located in the Abitibi Greenstone Belt. Regulatory approval was received in April 2013.

Under the Agreement the Company can acquire a 70% interest in certain properties (the "GZZ Option") located in the Abitibi Greenstone Belt of northwestern Québec and northeastern Ontario (the "GZZ Properties") held by Golden Valley.

Subject to net smelter return royalty interests and advance royalty interests in favour of the original vendors (one of which is a director and officer of Golden Valley), the Company can acquire a 70% interest in certain properties located in the Abitibi Greenstone Belt of northwestern Québec (the "GZZ-I Option"); these properties are subject to a 30% interest held by Integra pursuant to a joint venture agreement between Integra and Golden Valley (the "GZZ-I Properties"). Golden Valley will be the operator during the option phase.

To maintain its Option the Company has to:

i. Issue to Golden Valley 9.9% of Company's issued share capital (the "Share Interest"); (Issued 770,961 common shares on May 1, 2013)

ii. Incur expenditures in an aggregate amount of $4,500,000 over a 6 year period from the initial date of signing at the option agreement as follows:

   a) $250,000 on the second anniversary at January 11, 2012 (expenditures have not been made)
   b) an additional $500,000 on or before the third anniversary of January 11, 2012
   c) an additional $1,000,000 on or before the fourth anniversary of January 11, 2012
   d) an additional $1,250,000 on or before the fifth anniversary of January 11, 2012
   e) an additional $1,500,000 on or before the sixth anniversary of January 11, 2012

   to be allocated between the GZZ Properties and the GZZ-1 Properties as the Company may determine provided that no more than $4,000,000 of the Expenditures shall be incurred with respect to the GZZ Properties and at least $500,000 of the Expenditures shall be incurred with respect to the GZZ-1 Properties and:

iii. Reimburse Golden Valley for all costs related to the preparation of any technical reports. Golden Valley has the right, but not the obligation to participate in future financings of the Company in order to maintain its Share Interest.

Upon the GZZ Option being exercised, Golden Valley shall retain a 30% free carried interest to production in respect of the GZZ Properties. Upon the GZZ-I Option being exercised, Golden Valley and Integra shall retain a combined 30% free carried interest to production (22.5% Golden Valley/7.5% Integra).

The Company anticipates negotiating option payment terms relating to the effective date of the option agreement.

8. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares, without par value.

On December 14, 2012 ,the Company closed a private placement of 6,000,000 units at a price of $0.25 per unit for total proceeds of $1,500,000, less finder's fees of $85,400. Each unit consists of one common share and one half share purchase warrant. Total proceeds of $1,293,000 was allocated to common shares and $207,000 to warrants.

On May 1, 2013, the Company issued 770,961 common shares pursuant to an option agreement which was equivalent to 9.9% of the outstanding issued common shares calculated after and taking into account the issuance of the payment shares, of the Company as at January 31, 2012 to Golden Valley. These shares were valued at $177,321 based on market price on the first date of issue.

Expressed in Canadian Dollars

8. SHARE CAPITAL AND RESERVES (continued)

b) Share Purchase warrants

The following is a summary of changes in warrants from September 30, 2012 to September 30, 2013:

	Number of warrants		Weighted average exercise price
Balance, September 30, 2012 and 2011	_	$	_
Issued	3,000,000		0.35
Balance, September 30, 2013	3,000,000	$	0.35

During the year ended September 30, 2013, the Company issued 3,000,000 share purchase warrants as part of a private placement with an estimated fair value, using a Black-Scholes pricing model, of $207,000. The warrants are exercisable on or before December 10, 2013 at a price of $0.35 per share. The fair value assumptions used for the warrants are as follows:

	September 30, 2013	September 30, 2012
Volatility	97.49%	_
Dividend yield	_	_
Risk free rate	1.07%	_
Expected life (year)	1	_

Subsequent to year end, all the warrants expired unexercised.

c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Share-based payment reserve', 'Accumulated Other Comprehensive Loss/Income' and 'Accumulated Deficit'.

'Share-based payment reserve' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Other Comprehensive Loss/Income' includes an available-for-sale reserve. This reserve is used to recognize temporary fair value changes on available-for-sale investments.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

9. SHARE-BASED PAYMENTS

a) Option Plan Details

Pursuant to the policies of the TSX-V, the Company may grant incentive stock options to its officers, directors, employees and consultants. TSX-V policies permit the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual (maximum of 2% to any consultant). The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing price of the Company's shares on the trading day immediately preceding the date on which the option is granted and publicly announced, less an applicable discount, and may not otherwise be less than $0.10 per share. Options have a maximum term of ten years. Any option granted to an optionee other than a director or officer

Expressed in Canadian Dollars

8. SHARE-BASED PAYMENTS (continued)

will terminate 90 days following the termination of the optionee's employment, except in the case of death, in which case they terminate one year after the event. Any option granted to a director or officer, will expire within the earlier of, one year after the date they cease to be an officer or director, the date of expiration of terms, or such shorter period the Company determines reasonable. In the case of an optionee being dismissed for cause, the optionee's options will immediately terminate without right to exercise. Vesting periods of options is determined at the time of granting of the options at the discretion of the board of directors. Once approved and vested, options are exercisable at any time.

The following is a summary of changes in options from September 30,2012 to September 30, 2013:

	September 30, 2013		**September 30, 2012**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	663,597	$0.285	708,597	$0.285
Cancelled	-	-	(45,000)	$0.285
Balance, end of period	663,597	$0.285	663,597	$0.285
Vested and Exercisable	663,597		663,597	

These options will expire on February 15, 2016 and have a weighted average remaining contractual life of 2.38 years as at September 30, 2013.

b) Escrow Shares

At September 30, 2013, a total of 6,250 (2012 – 6,250) of the issued and outstanding shares are held in escrow and may not be released without the consent of the regulatory authorities.

c) Flow-through Shares

The Canada Revenue Agency ("CRA") has reviewed Canadian exploration expenditures ("CEE") incurred by the Company that were renounced on certain flow-through shares issued for taxation years 2000 through 2003. During the year ending September 30, 2008, upon completion of the review, the Company was assessed and has recorded in the financial statements approximately $49,000 in additional Part XII.6 tax and accrued interest relating to flow-through share issuances for these fiscal years. The CRA has not indicated to Management it will be conducting an examination for taxation years after 2003. Between taxation years 2004 and 2008, the Company has estimated $1.32 million flow-through share proceeds were raised in excess of qualifying flow-through share expenditures incurred over this period. The Company has failed to incur these expenditures within the time period required during the 2004 – 2008 fiscal years.

The Company did not issue any flow through shares during the period ending September 30, 2013 and the fiscal years ending September 30, 2012, 2011, 2010 and 2009. Per the flow-through subscription agreements with investors, the Company was to incur CEE by December 31, 2007 equal to the amount that was renounced. During the year ended September 30, 2013 the Company paid $Nil (2012: $Nil) to the CRA for part payment of penalties and interest outstanding, and accrued $Nil in penalties and interest in 2013 (2012: $Nil). Management, however, has estimated and recorded interest and penalties related to Part XII.6 taxes payable and unremitted amounts owing to the CRA of $375,888 (2012:$375,888). The Company is continuing to review its compliance with respect to flow through shares issuances and has filed voluntary disclosure with the CRA. The final outcome of the voluntary disclosure is unknown at the date of the financial statements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Process:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest risk, and equity price risk.

Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The available-for-sale investment in the common shares of Barkerville Gold Mine Ltd. is monitored by Management with decisions on sale taken at Board level. A 10% decrease in the fair value of Barkerville Gold Mines Ltd. would result in a $137,819 decrease in equity.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be immaterial.

Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Expressed in Canadian Dollars

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Typically, the Company ensures that it has sufficient cash on demand to meet short term expected operational expenses. To achieve this objective expenditures are monitored as necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company is reliant on the continued support of related parties to meet short-term financing requirements and to meet obligations as they become due.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Book Value at September 30, 2013	Within 1 Year	2 to 5 years	Over 5 Years	Total
Accounts Payable	$542,407	$542,407	-	-	$542,407
Due to related parties	$3,970	$3,970	-	-	$3,970

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying amounts for cash and cash equivalents, amounts receivable, trade and other payables, and due to related parties approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

The available-for-sale investment was previously inputs other than obtainable market data and was therefore considered to be Level 3. At September 30, 2013, this investment was transferred to Level 2 as discussed below.

Fair value measurements at

	Level 1		Level 2		Level 3	
	June 30		June 30		June 30	
	2013	2012	2013	2012	2013	2012
Financial Assets						
Investments	$ -	$ -	$1,378,186	$ -	$ -	$2,266,020
	$ -	$ -	$1,378,186	$ -	$ -	$2,266,020

Expressed in Canadian Dollars

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Level 3 fair value measurements at September 30,

	Level 3	**Level 2**
September 30, 2012	$2,266,020	$ -
Transfer into Level 2 from Level 3 due to CTO being removed on Barkerville shares	$ -	$2,266,020
September 30, 2013	$2,266,020	$2,266,020

The fair value of the cease traded securities is adjusted subsequent to September 30, 2013 when the cease trade order was lifted. The fair value of the Company's investment was estimated using a weighted average price. (See notes 4 and 6.)

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions have been listed below, unless they have been disclosed elsewhere in the financial statements.

a) **Key Management Compensation**

	Note		**September 30, 2013**		September 30, 2012
Management Fees	(i)	**$**	**60,000**	$	60,000
Salaries charged by CFO			**-**		9,700
Travel			**867**		-
		$	**60,867**	$	**69,700**

Expressed in Canadian Dollars

11. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) The Company has entered into a management agreement with the Company's president whereby the Company agreed to pay a management fee of $5,000 per month until the agreement is terminated. The agreement can be terminated by providing two months notice.

b) Other Related Party Transactions

		September 30, 2013		September 30, 2012
Salaries and Wages	**$**	**23,456**	$	13,767
Rent	**$**	**3,793**	$	3,974
Office and others	**$**	**787**	$	1,064
Interest Income	**$**	**4,325**	$	-

The above related party transactions were paid to Companies that have common directors.

c) Receivable and Payable

		September 30, 2013		September 30, 2012
Due to directors	**$**	**6,541**	$	246,194
Due to companies with common directors	**$**	**-**	$	535,990
Due from companies with common directors	**$**	**(2,571)**	$	–
	$	**3,970**	$	782,184

These amounts are unsecured and non-interest bearing.

d) Prepaid expenses

As at September 30, 2013, included in prepaid expenses is $2,000 (2012 and 2011 - $2,000) for rent to a company with a common director.

Expressed in Canadian Dollars

12. CAPITAL MANAGEMENT

The Company monitors its cash, common shares and stock options as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future exploration and business development.

		September 30, 2013		September 30, 2012
Cash	$	491,578	$	12
Common Shares	$	11,612,480	$	10,227,559
Stock options and warrants	$	1,701,997	$	1,494,997

The Company is not exposed to any externally imposed capital requirements and there have been no changes in the Company's capital management approach during the year.

13. SEGMENTAL REPORTING

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's chief operating decision maker, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition, exploration and development of mineral properties, all of which occurs within Canada. The Company's corporate head office earns nominal revenue that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment.

14. LOSS PER SHARE

		September 30, 2013		September 30, 2012
Loss attributed to ordinary shareholders	$	(411,959)	$	(127,733)
Weighted average number of common shares		12,239,903		7,085,969
Basic and diluted gain (loss) per share	$	(0.03)	$	(0.02)

The number of shares potentially issuable at September 30, 2013 that were not included in the computation of loss per share totaled 3,663,597 (2012: 663,597). These were excluded from the calculation of diluted income loss per share as the effect would be anti-dilutive.

15. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	September 30, 2013	September 30, 2012
Net loss before taxes	$ (325,959)	$(123,064)
Income taxed at local statutory rates – 25.50% (2012: 25.38%)	$ (83,000)	$ (31,000)
Share issue cost	(22,000)	_
Effect of increase in statutory rate	(36,000)	_
Non-taxable portion of capital gains and other	8,000	(2,000)
Change in unrecognized deferred tax assets	219,000	37,669
Deferred tax expense	$ 86,000	$ 4,669

Expressed in Canadian Dollars

15. INCOME TAXES (CONTINUED)

Effective April 1, 2013, the BC provincial tax rate increased from 10% to 11% while the Canadian federal corporate tax rate remained at 15%.

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at September 30, 2013 and 2012 are summarized as follows:

	September 30, 2013	September 30, 2012
Losses carried forward	$ 519,000	$ 452,000
Undeducted financing costs	18,000	–
Marketable securities	17,000	(94,000)
Exploration and evaluation assets	507,000	484,000
Unrecognized deferred tax asset	(1,061,000)	(842,000)
Deferred tax assets	$ –	$ –

As at September 30, 2013, the Company has estimated non-capital losses for Canadian income tax purposes of $1,909,000 (2012: $1,733,000) that may be carried forward to reduce taxable income derived in future years, which expires in various amounts from 2026 to 2033.