GRAND PEAK CAPITAL CORP.

Consolidated Financial Statements

For the Years Ended September 30, 2012 and 2011

Expressed in Canadian Dollars

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A CHAN AND COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Grand Peak Capital Corp.

We have audited the accompanying consolidated financial statements of Grand Peak Capital Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2012 and September 30, 2011 and October 1, 2010, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years ended September 30, 2012 and September 30, 2011, 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 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 auditor's 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 auditor considers 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 consolidated financial position of the Company as at September 30, 2012 and September 30, 2011 and October 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended September 30, 2012 and September 30, 2011 in accordance with International Financial Reporting Standards.

"A Chan and Company LLP"
Chartered Accountants

Vancouver, British Columbia
January 22, 2013

Grand Peak Capital Corp.
Consolidated statements of financial position
(Expressed in Canadian Dollars)

	Notes	September 30 2012	September 30 2011	October 1 2010
ASSETS			**Note 20**	**Note 20**
Current assets				
Cash and cash equivalents	4	$ 44,833	$ 113,790	$ 471,839
Marketable securities	6	4,177,351	6,967,070	9,036,916
Loans receivable	7	34,405	34,272	237,419
Accounts and HST receivable		6,926	13,258	3,162
		4,263,515	7,128,390	9,749,336
Non-current assets				
Deposit on assets	8	-	276,250	276,250
Property, plant and equipment	9	1,467	2,095	2,993
Other investments	10	470,960	150,000	100,000
Incorporation costs		460	460	460
TOTAL ASSETS		**$ 4,736,402**	**$ 7,557,195**	**$ 10,129,039**
LIABILITIES				
Current liabilities				
Payables and accrued liabilities	11	$ 39,120	$ 16,591	$ 69,191
Mineral property payment payable	18	95,023	-	-
		134,143	16,591	69,191
Non-current portion of mineral property payment payable	18	90,490	-	-
TOTAL LIABILIITES		224,633	16,591	69,191
SHAREHOLDERS' EQUITY				
Share capital	12	8,707,804	8,984,054	8,930,409
Reserves	13	1,505,448	1,505,448	1,505,448
Accumulated other comprehensive income (loss)		(2,430,541)	81,879	3,347,890
Deficit		(3,270,942)	(3,030,777)	(3,723,899)
TOTAL EQUITY		4,511,769	7,540,604	10,059,848
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 4,736,402**	**$ 7,557,195**	**$ 10,129,039**

Subsequent Event (Note 19)
APPROVED BY THE DIRECTORS:

"Eugene Beukman" **Director** *"Sonny Janda"* **Director**

– See Accompanying Notes to the Consolidated Financial Statements –

Grand Peak Capital Corp.
Consolidated statements of income (loss) and comprehensive income (loss)
For the years ended September 30, 2012 and 2011
(Expressed in Canadian Dollars)

	September 30, 2012	September 30, 2011 Note 20
Revenue		
Interest and royalty income	$ 15,422	$ 10,677
	15,422	10,677
Expenses		
Amortization	629	898
Bank charges & interest	1,260	2,204
Foreign exchange loss	6,566	-
Office and miscellaneous	9,798	7,056
Professional fees	38,279	38,343
Rent	30,000	30,000
Transfer / regulatory fees	13,002	19,781
	99,534	98,282
Other income (loss)		
Gain (loss) on sale of marketable securities	(3,414)	1,208,643
Unrealized loss on derivative investments	(152,952)	(416,606)
Write-off of marketable securities	-	(11,310)
Accretion on property payment payable	(16,093)	-
Recoveries	16,406	-
	(156,053)	780,727
Net income (loss) for the year	**$ (240,165)**	**$ 693,122**
Other Comprehensive income(loss) in the year	(2,512,420)	(3,266,011)
Comprehensive income (loss) for the year	**$ (2,752,585)**	**$ (2,572,889)**
Weighted Average Number of Shares Outstanding	**24,466,702**	**24,466,702**
Income (loss) per share	**$ (0.01)**	**$ 0.03**

– See Accompanying Notes to the Consolidated Financial Statements –

Grand Peak Capital Corp.
Consolidated statements of changes in shareholders' equity
For the years ended September 30, 2012 and 2011
(Expressed in Canadian Dollars)

	Notes	Number of shares		Amount		Stock option reserve		AOCI		Deficit		Total
Restated balance at Sept 30, 2011	20	**24,466,702**	**$**	**8,984,054**	**$**	**1,505,448**	**$**	**81,879**	**$**	**(3,030,777)**	**$**	**7,540,604**
Comprehensive income (loss):												
Loss for the year		-		-		-		-		(240,165)		(240,165)
Other comprehensive income (loss)		-		-		-		(2,512,420)		-		(2,512,420)
Total comprehensive loss for year		-		-		-		(2,512,420)		(240,165)		(2,752,585)
Private placement		-		-		-		-		-		-
Shares issue expenses		-		-		-		-		-		-
Spin-off of Acana Capital Corp.	5	-		(276,250)		-		-		-		(276,250)
Shares issued – option exercise		-		-		-		-		-		-
Shares issued – warrant exercise		-		-		-		-		-		-
Stock-based compensation		-		-		-		-		-		-
Balance at September 30, 2012		**24,466,702**	**$**	**8,707,804**	**$**	**1,505,448**	**$**	**(2,430,541)**	**$**	**(3,270,942)**	**$**	**4,511,769**

	Notes	Number of shares		Amount		Stock option reserve		AOCI		Deficit		Total
Restated balance at Oct 1, 2010	20	**24,466,702**	**$**	**8,930,409**	**$**	**1,505,448**	**$**	**3,347,890**	**$**	**(3,723,899)**	**$**	**10,059,848**
Comprehensive income:		-										
Income for the year		-		-		-		-		693,122		693,122
Other comprehensive income (loss)		-		-		-		(3,266,011)		-		(3,266,011)
Total comprehensive loss for period		-		-		-		(3,266,011)		693,122		(2,572,889)
Private placement – for cash		-		-		-		-		-		-
Share issue expenses recovery		-		53,645		-		-		-		53,645
Shares issued – option exercise		-		-		-		-		-		-
Shares issued – warrant exercise		-		-		-		-		-		-
Stock-based compensation		-		-		-		-		-		-
Restated balance at September 30, 2011	**20**	**24,466,702**	**$**	**8,984,054**	**$**	**1,505,448**	**$**	**81,879**	**$**	**(3,030,777)**	**$**	**7,540,604**

– See Accompanying Notes to the Consolidated Financial Statements –

Grand Peak Capital Corp.
Consolidated statements of cash flow
For the years ended September 30, 2012 and 2011.
(Expressed in Canadian Dollars)

		September 30, 2012		September 30, 2011 Note 20
Operating activities				
Net income (loss) for the year	$	(240,165)	$	693,122
Adjustments for non-cash items:				
Unrealized loss on derivative investments		152,952		416,606
Amortization		629		898
Loss (gain) on the sale of marketable securities		3,414		(1,208,643)
Write-off of marketable securities		-		11,310
Accretion on property payment payable		16,093		-
Changes in non-cash working capital items:				
Accounts receivable		6,199		(6,949)
Payables and accrued liabilities		22,528		1,045
Net cash flows from (used in) operating activities		(38,350)		(92,611)
Investing activities				
Loans receivable		-		200,000
Marketable securities		120,933		(415,438)
Non-marketable investments		(151,540)		(50,000)
Net cash flows from (used in) investing activities		(30,607)		(265,438)
Increase (decrease) in cash and cash equivalents		(68,957)		(358,049)
Cash and cash equivalents, beginning		113,790		471,839
Cash and cash equivalents, ending	**$**	**44,833**	**$**	**113,790**

Non-cash Transactions:				
Spin-off of Acana Capital Corp.	$	276,250	$	-
Cash paid for:				
Interest	$	-	$	-
Income tax	$	-	$	-

– See Accompanying Notes to the Consolidated Financial Statements –

1. Nature and continuance of operations

Grand Peak Capital Corp. (the "Company") completed its continuation from the jurisdiction of Yukon to British Columbia. Effective as of April 27, 2010, The Company is registered in British Columbia under the *Business Corporations Act* (British Columbia). It is listed on the TSX Venture exchange and trades under the symbol GPK.

The head office, principal address and records office of the Company are located at 8338 – 120th Street, Surrey, British Columbia, Canada, V3W 3N4.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had working capital of $4,129,372 as at September 30, 2012 which should be sufficient to maintain its operations in the next twelve months. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company is engaged primarily in investing in small cap resource sector public companies. During the year ended September 30, 2012, the Company was involved in trading through its portfolio and maintaining its mineral property.

2. Basis of preparation

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB"), and are comprised of IFRS, International Accounting Standards ("IASs"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRICs") or the former Standing Interpretations Committee ("SICs") and effective for the Company's reporting period ended September 30, 2012.

Subject to certain transition elections disclosed in Note 20, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at October 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 20 discloses the impact of the transition to IFRS on the Company's reported statements of financial position, statements of income (loss) and comprehensive income (loss) and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended September 31, 2011. Comparative figures for 2010 and 2011 in these financial statements have been restated to give effect to these changes.

2. **Basis of preparation (cont'd)**

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS") (continued)

Previously, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of January 22, 2013, the date the Board of Directors approved the Financial Statements.

The consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual audited consolidated financial statements for the years ended September 30, 2011 and 2010.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

3. Significant accounting policies

Consolidation

When appropriate, the consolidated financial statements will include the accounts of the Company and its controlled entities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, will be eliminated on consolidation.

The Company's wholly-owned subsidiaries and operating status are as follows:

Subsidiary	**Status**
0808964 BC Ltd.	Active
Grand Peak Mexican Holdings Inc.	Active
Grand Peak Mexico SA de CV	Active

Foreign currency translation

All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

3. Significant accounting policies (cont'd)

Transactions and balances

Foreign currency transactions will be translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

<u>Company companies:</u>

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency will be translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and

- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. Significant accounting policies (cont'd)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3. Significant accounting policies (cont'd)

Financial instruments (cont'd)

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. The Company does not have any derivative financial assets and liabilities.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash	FVTPL
Investments in common shares	Available-for-sale
Investments in warrants	FVTPL
Note receivable and other receivable	Loan and receivable
Accounts payable and accrued liabilities	Other liabilities
Mineral property payment payable	Other liabilities

Impairment of assets

The carrying amount of the Company's assets (which include marketable securities) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3. Significant accounting policies (cont'd)

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

3. Significant accounting policies (cont'd)

Restoration and environmental obligations (cont'd)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of property, plant and equipment are as follows:

Class of property, plant and equipment	Depreciation rate
Office and computer equipment	30%

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. Significant accounting policies (cont'd)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the depreciation of equipment, valuation of marketable securities and share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments and estimates exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based payments and warrants

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and investments in warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's investment, earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. Significant accounting policies (cont'd)

Significant accounting judgments and estimates (continued)

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Amortization for equipment

Amortization expense is allocated based on assumed asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of comprehensive loss.

3. Significant accounting policies (cont'd)

Accounting standards issued by not yet effective

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, Financial Instruments (IFRS 9), IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 or 2015 with early adoption permitted.

The following is a brief summary of the new standards:

IFRS 9 – Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it 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. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles, and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(Expressed in Canadian Dollars)

3. Significant accounting policies (cont'd)

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that 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. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		September 30, 2012		September 30, 2011
Canadian cash in bank	$	43,838	$	110,321
US cash in bank		995		3,469
	$	44,833	$	113,790
				September 30, 2010
Canadian cash in bank			$	470,828
US cash in bank				1,011
			$	471,839

5. Plan of Arrangement

During the year ended September 30, 2012, the Company and its wholly owned subsidiary Acana Capital Corp.(formerly 2801 Shangri-la Holdings Ltd.) completed an arrangement agreement ("Arrangement Agreement") to proceed with a corporate restructuring by way of a statutory plan of arrangement ("Plan of Arrangement"). In exchange for spinning out the interest in the real estate deposit (with carrying value of $276,250), Acana Capital Corp. issued 24,466,702 shares of Acana Capital Corp. These shares were divided among the shareholders of the Company on a pro-rata basis and according to the regulations of the Canadian National Stock Exchange.

6. Investments – Marketable Securities

SEPTEMBER 31, 2011

A) iTrade Grand Peak Investments as at the September 30, 2011 year end:

Issuer	# of Securities	Average Cost $	Fair Value $	% of Portfolio
AKA Ventures Inc.	25,000	505	2,625	-
Arris Holdings	570,000	-	171,000	2%
Bard Ventures	1,000,000	80,000	55,000	1%
Beatrix Ventures	1,862,000	96,130	65,170	1%
Cache Exploration Inc.	23,000	1,137	3,680	-

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES *(Continued)*

2011				
Caldera Resources Corp.	12,400	3,106	868	-
Caza Gold Corp. Corp.	22,500	7,875	6,750	-
Canarc Resources Corp.	135,000	42,535	20,925	-
Castillian Resources Corp.	7,734,000	603,865	1,082,760	16%
Choice Gold Corp.	577,000	40,390	152,905	2%
Chimata Gold Corp.	1,821,800	273,270	145,744	2%
Cielo Gold Corp.	565,000	16,950	169,500	2%
Continental Precious	289,000	97,670	66,470	1%
Dajin Resources Corp.	47,500	1,906	2,850	-
Desert Gold Ventures Inc.	419,500	582,335	238,830	3%
Easy Med Services Inc.	1,420,000	966,336	1,065,000	16%
Elissa Resources Ltd.	14,500	870	3,480	-
EM Gold Mining Corp.	2,000,000	235,480	200,000	3%
Eloda Corp.	831,000	-	-	-
Entrée Gold Corp.	400	463	576	-
Eurocontrol Technics Inc.	442,000	67,510	44,200	1%
Forbes & Manhattan Coal	21,155	16,850	48,657	1%
Forest Gate Energy Inc.	25,000	3,280	1,125	-
Grenville Gold Corp.	550,000	92,054	104,500	2%
Hawlkstone Energy	750,000	150,000	41,250	1%
HTC Pure Energy	213,000	89,400	38,340	1%
Inca Metals Corp.	76,000	33,225	20,520	-
Intl. Sovereign Energy Corp.	251,000	140,426	112,950	2%
IRI Separation Tech. Inc.	172,000	2,610	-	-
Largo Resources Ltd.	500	72	130	-
Lucky Minerals Inc.	226,000	76,700	84,938	1%-
ME Resources	570,000	11,400	285,000	4%
Midasco Capital	218,000	13,090	8,720	-
Musgrove Minerals	1,775,000	156,443	177,500	3%
Maxtech Ventures Inc.	1,821,800	948,170	746,938	11%
Macmillan Minerals	500,000	25,000	50,000	1%
Menika Mining	100,000	3,520	2,000	-
Nevada Exploration	245,000	19,610	22,050	-
Orsa Ventures	50,000	6,510	9,500	-
Ona Power	7,500,000	261,070	225,000	3%
Pacific Bay Minerals Ltd.	15,000	903	750	-
Peregrine Diamonds Ltd.	151,000	68,610	172,140	2%
Pitch Black Resources Ltd.	4,368	9,173	612	-
Plains Creek Phosphate	904,459	65,244	67,834	1%
Pyng Medical Corp.	149,000	42,037	23,095	-
Quantitative Alpha Trading	3,125,000	468,858	281,250	4%
Stetson Oil & Gas	976,500	79,011	34,178	-

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES
(Continued)

2011				
Upper Canyon Minerals C.	3,100,000	173,657	77,500	1%
Uragold Bay Res Inc.	50,000	3,735	1,250	-
Valencia Ventures Inc.	693,000	37,138	45,045	1%
Vast Exploration	225,000	87,759	7,875	-
Xemplar Energy Corp.	752,500	93,459	33,863	-
WTS Ona Power	7,500,000	201,430	187,117	3%
WTS Range Energy	750,000	-	-	-
WTS Grenville	475,000	44,123	52,165	1%
WTS Beatrix	500,000	15,630	5,353	-
WTS Musgrove	2,000,000	123,726	45,033	1%
WTS Bard Ventures	1,000,000	-	22,694	-
WTS Journey Resources	4,375,000	47,459	-	-
WTS Macmillan	500,000	-	36,705	1%
WTS EM Gold	2,000,000	52,520	31,885	-
		6,782,235	6,603,795	

B) Haywood Grand Peak investments at the September 30, 2011 year end.

Issuer	# of securities	Average Cost $	Fair Value $	% of Portfolio
Choice Gold	1,000,000	50,000	265,000	4%
Lucky Minerals Inc.	200,000	1,950	75,000	1%
Vast Exploration Inc.	665,000	166,250	23,275	-
		218,200	363,275	
Total Securities		**$7,000,435**	**$6,967,070**	**100%**

(Expressed in Canadian Dollars)

SEPTEMBER 30, 2012

A) Investor Line Grand Peak Investments as at the September 30, 2012 – Year End

Issuer	# of Securities	Average Cost $	Fair Value $	% of Portfolio
AAN Ventures	2,500,000	261,070	125,000	3%
Arris Holdings	570,000	-	57,000	1%
Bard Ventures	1,000,000	80,000	20,000	-
Beatrix Ventures	1,862,000	96,130	37,240	1%
Cache Exploration Inc.	23,000	1,137	1,380	-
Caldera Resources Corp.	12,400	3,106	124	-
Caza Gold Corp. Corp.	22,500	7,875	3,038	-
Canarc Resources Corp.	135,000	42,535	22,950	1%
Castillian Resources Corp.	7,734,000	603,865	270,690	6%
Choice Gold Corp.	577,000	40,390	11,540	-
Chimata Gold Corp.	1,821,800	273,270	109,308	4%
Cielo Gold Corp.	565,000	16,950	16,950	-
Continental Precious	39,000	13,180	7,995	-
Dajin Resources Corp.	47,500	1,906	2,375	-
Desert Gold Ventures Inc.	419,500	582,335	138,270	3%
Easy Med Services Inc.	1,420,000	966,336	1,448,400	35%
Elissa Resources Ltd.	14,500	870	1,232	-
EM Gold Mining Corp.	1,981,500	232,816	148,612	4%
Eloda Corp.	831,000	-	-	-
Entrée Gold Corp.	400	463	228	-
Eurocontrol Technics Inc.	442,000	67,510	22,100	1%
Forbes & Manhattan Coal	21,155	16,850	14,809	-
Forest Gate Energy Inc.	25,000	3,280	-	-
Grenville Gold Corp.	1,050,000	118,939	126,000	4%
HTC Pure Energy	213,000	89,400	36,210	1%
Inca Metals Corp.	62,500	27,323	7,813	-
Innovative Properties	653,601	55,556	68,628	2%
Intl. Sovereign Energy Corp.	251,000	140,426	140,426	4%
IRI Separation Tech. Inc.	172,000	2,610	-	-
Largo Resources Ltd.	500	72	115	-
Lucky Minerals Inc.	156,500	52,996	47,732	1%
ME Resources	570,000	11,400	28,500	1%
Midasco Capital	218,000	13,090	5,450	-
Musgrove Minerals	355,000	156,443	56,800	1%
Musgrove (Restricted)	555,556	50,000	50,000	1%
Maxtech Ventures Inc.	1,786,800	929,953	625,380	15%
Macmillan Minerals	500,000	25,000	55,000	1%

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES *(Continued)*

2012				
Menika Mining	100,000	3,520	1,500	-
Nevada Exploration	245,000	19,610	36,750	1%
Orsa Ventures	50,000	6,510	6,500	-
Pacific Bay Minerals Ltd.	15,000	903	300	-
Peregrine Diamonds Ltd.	45,000	20,446	16,200	-
Phoenix Copper Corp.	25,000	505	1,500	-
Pitch Black Resources Ltd.	4,368	9,173	568	-
Plains Creek Phosphate	904,459	65,244	18,089	-
Pyng Medical Corp.	149,000	42,037	12,665	-
Quantitative Alpha Trading	3,125,000	468,858	46,875	1%
Range Energy Res	750,000	150,000	41,250	1%
Stetson Oil & Gas	88,772	79,011	8,877	-
Upper Canyon Minerals C.	620,000	173,657	9,300	-
Uragold Bay Res Inc.	12,500	3,735	438	-
Vast Exploration	225,000	87,759	5,625	-
Xemplar Energy Corp.	752,500	93,459	30,100	1%
WTS Ona Power	4,000,000	85,892	112,851	3%
WTS Grenville	975,000	67,238	31,224	1%
WTS Beatrix	500,000	15,630	1,295	-
WTS Bard Ventures	1,000,000	-	2,220	-
WTS Journey Resources	4,375,000	-	-	-
WTS Innovative Properties	653,601	-	34,054	1%
WTS EM Gold	2,000,000	52,520	-	-
		6,430,789	4,125,476	

B) Haywood Grand Peak investments at the September 30, 2012 Year End

Issuer	# of securities	Average Cost $	Fair Value $	% of Portfolio
Choice Gold	1,000,000	50,000	20,000	-
Lucky Minerals Inc.	50,000	488	15,250	-
Vast Exploration Inc.	665,000	166,250	16,625	-
		216,738	51,875	
Total Securities		**$6,647,527**	**$4,177,351**	**100%**

- Investments in warrants are valued at fair value using the Black-Scholes option model.

(Expressed in Canadian Dollars)

7. Loans receivable

A loan receivable of US$35,000 (2011 – US$35,000) is from Akmola Gold Corp., a company related by a common Chief Executive Officer. The loan is without interest and due on demand.

8. Deposits on asset

There were no deposits on assets as at September 30, 2012. The real estate deposit of $276,250 has been transferred to Acana Capital Corp. by a way of plan of arrangement in November, 2011. (Note 5)

9. Property, plant and equipment

		Office Equipment			Office Equipment
Cost:			**Cost:**		
At Sept 30, 2011	$	62,075	At Oct 1, 2010	$	62,075
Additions		-	Additions		-
Disposals			Disposals		-
At Sept 30, 2012		62,075	At Sept 30, 2011		62,075
Depreciation:			**Depreciation:**		
At Sept 30, 2011		59,980	At Oct 1, 2010		59,082
Charge for the year		629	Charge for the year		898
Eliminated on disposal		-	Eliminated on disposal		
At Sept 30, 2012		60,609	At Sept 30, 2011		59,980
Net book value:			**Net book value:**		
At Sept 30, 2011		2,095	At Oct 1, 2010		2,993
At Sept 30, 2012	**$**	**1,467**	**At Sept 30, 2011**	**$**	**2,095**

10. Other Investments

A) Investments held outside trading accounts as at the September 30, 2011 year end.

Issuer	# of Common Shares	Average Cost $	Fair Value $
Akmola Gold	1,000,000	100,000	n/a
Vianey Mining Acquisition Deposit			50,000

The Company measured its investment in Akmola Gold at cost as this investment did not have a quoted market price in an active market.

The deposit was in relation to the purchase of the Vianey mining concessions. Subsequent to September 30, 2011, the Company purchased the Vianey mining concessions.

(Expressed in Canadian Dollars)

10. Other Investments (cont'd)

B) Investments held outside trading accounts as at the September 30, 2012 – Year End

Issuer	# of Common Shares	Average Cost $	Fair Value $
Akmola Gold	1,000,000	100,000	n/a

The Company measured its investment in Akmola Gold at cost as this investment did not have a quoted market price in an active market.

B) Investments in Vianey mining concessions

	Vianey, Mexico	September 30 2012	Vianey, Mexico	September 30 2011
Acquisition open	$50,000	$50,000	$ -	$ -
Acquisition added	314,420	314,420	50,000	50,000
Total acquisition	-	364,420	-	50,000
Maintenance open	-	-	-	-
Maintenance added	6,540	6,540	-	-
Total maintenance	-	6,540	-	-
Total investment	$ -	$370,960	$ -	$50,000

By way of an Mineral Claim Assignment agreement ("the Agreement") dated October 31, 2011 between the Company and Minerales Jazz S.A. de C.V. , a wholly-owned subsidiary of Musgrove Minerals Corp. ("Musgrove"), the Company acquired a 100% interest in the Vianey Mine Concessions located in the state of Guerrero, Mexico ("Vianey") for consideration of cash CDN$325,000. The Company would pay CDN$125,000 upon signing of the Agreement (paid), CDN$100,000 or common shares of the Company on the first annual anniversary of the date of signing of the Agreement and CDN$100,000 or common shares of the Company on the second annual anniversary of the date of signing of the Agreement.

In November, 2012, Musgrove agreed to grant a Sixty (60) day extension to the Company towards its second payment of $100,000 originally due on October 31, 2012. The extension is subject to a 15% penalty if payment is made with common shares of the Company; however, in the event the Company pays in cash, the 15% penalty will be waived by Musgrove. The second payment of $100,000 was made to Musgrove on December 31, 2012.

11. Payables and accrued liabilities

	September 30, 2012	September 30, 2011	September 30, 2011
Payables	22,320	2,591	50,191
Accrued liabilities	16,800	14,000	19,000
	$ 39,120	$ 16,591	$ 69,191

12. Share capital

Authorized share capital

Unlimited number of common shares without par value:

Issued share capital

At September 30, 2012 there were 24,466,702 issued and fully paid common shares (September 30, 2011 – 24,466,702).

Private placements

No shares were issued for cash during the year ended September 30, 2012.

Adjustments to share capital

When the real estate deposit of $276,250 was transferred to Acana Capital Corp. during its spin-off, share capital was reduced by that amount. (Note 5)

Stock options

The Company has adopted a stock option plan whereby the Company may from time to time in accordance with the TSX Venture Exchange ("Exchange") requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

There were no options outstanding at the year ended September 30, 2012 or 2011.

Share Purchase Warrants

There were no warrants outstanding at the year ended September 30, 2012 or 2011.

(Expressed in Canadian Dollars)

13. Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded remains in the account.

	September 30, 2012	September 30, 2011
Balance at beginning of year	1,505,448	1,505,448
Value of options granted	-	-
Exercise of options	-	-
Expiry of options	-	-
Balance at end of year	1,505,448	1,505,448

14. Related party transactions

Related party balances

The following amounts from (due to) related parties are included in receivables (payables):

	September 30, 2012	September 30, 2011
Companies with common officers and directors – loan (note 7)	34,405	32,822
Companies with common officers and directors – spinoff A/P	-	1,450
	$ 34,405	$ 34,272

Related party transactions

The Company incurred the following transactions with a company that is owned by CFO of the Company.

	Year Ended	
	September 30, 2012	September 30, 2011
Professional services	4,270	6,036
	$ 4,270	$ 6,036

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties. Note 5, 7 & 8 also provide information on related party transactions.

(Expressed in Canadian Dollars)

15. Income taxes

A summary reconciliation of income taxes at statutory rates is as follows:

	$	For the year ended September 30 2012	$	For the year ended September 30 2011
Net income (loss) for the year		(240,165)		693,122
Expected income tax rate		25.5%		27.0%
Expected income tax		(61,242)		187,143
Net effects of non-deductible amounts and change in tax rate		3,558		(124,638)
Current and prior tax attributes not recognized		57,684		(62,505)
Deferred income taxes recovery		-		-

Deferred Tax Assets:

	$	For the year ended September 30 2012	$	For the year ended September 30 2011
Non-capital and capital loss carry forwards		416,735		396,536
Equipment		48,589		48,432
Marketable securities		33,840		(6,064)
Share issue costs and other		7,792		10,368
Unrecognized deferred tax assets		(506,956)		(449,272)
Total Deferred Tax Assets		-		-

At September 30, 2012, the Company has non capital losses carried forward for Canadian income tax purposes totalling approximately $424,000, which will expire through to 2032 and may be applied against future taxable income. The Company also has capital losses carried forward for Canadian income tax purposes totalling approximately $2,485,000 of which are available for deduction against future capital gains.

At September 30, 2012, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

16. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at September 30, 2012:

		Within one year	Between one and five years	More than five years
Payables	$	39,120	-	-
Mineral property payment payable		95,023	90,490	-
	$	134,143	90,490	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency for the parent company and its subsidiaries is the Canadian dollar and major expenditures are transacted in Canadian dollars. However, the Company is subject to foreign exchange risk for transactions in its Mexican subsidiary as at September 30, 2012.

(Expressed in Canadian Dollars)

16. Financial risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2012 and 2011:

		As at September 30, 2012		
		Level 1	Level 2	Level 3
Cash and cash equivalents	$	44,833	-	-
Marketable securities		3,995,707	181,644	-
	$	4,040,540	181,644	

		As at September 30, 2011		
		Level 1	Level 2	Level 3
Cash and cash equivalents	$	113,790	-	-
Marketable securities		6,586,119	380,951	-
	$	6,699,909	380,951	

(Expressed in Canadian Dollars)

17. Segmented information

Operating segments

The Company operates as a single reportable operating unit with investments in Canada and other jurisdictions.

Geographic segments

The Company's investments are located in the following countries:

		As at September 30, 2012		
		Canada	Other	Total
Investments	$	4,177,351	470,960	4,648,311

		As at September 30, 2011		
		Canada	Other	Total
Investments	$	6,967,070	150,000	7,117,070

		As at September 30, 2010		
		Canada	Other	Total
Investments	$	9,036,916	100,000	9,136,916

18. Mineral property payment payable

By way of an Mineral Claim Assignment agreement ("the Agreement") dated October 31, 2011 between the Company and Minerales Jazz S.A. de C.V. , a wholly-owned subsidiary of Musgrove Minerals Corp. ("Musgrove") – Note 10 (B), the Company is required to pay the remaining balance of $200,000 in two instalments of $100,000 (due and paid on December 31, 2012) and $100,000(due on October 31, 2013).

In accordance with the Company's accounting policies, this Mineral Property Payment Payable is classified as "other liabilities" financial instrument. As a result, it is measured at its amortized cost by using an effective interest rate of 10%.

As at September, 30, 2012, the carrying value of this Mineral Property Payment Payable was $185,513 of which $95,023 was considered current. During the year ended September 30, 2012, interest of $16,093 (2011: $Nil) was accreted to this Mineral Property Payment Payable.

Continuity of this Mineral Property Payment Payable is as follows:

Mineral Property Payment Payable at carrying value	$	169,420
Accretion for the year		16,093
Balance, September 30, 2012	$	185,513

19. Subsequent event

The Company has entered into an agreement to sell Vianey mining concessions to Lucky Minerals Inc. (“Lucky Minerals”), a company related by a common director. The substantial terms of the agreement include the payment of $700,000 over a 3 year period with a payment of $100,000 upon TSX Venture Exchange approval and six subsequent payments of $100,000 every six months. The Company will retain a 2% Net Smelter Return (“NSR”), Lucky Minerals has an option to purchase 1% of the NSR for $1,000,000 on or before December 1, 2015. Lucky Mineral must also complete a work commitment of $125,000 by December 31, 2013, an aggregate amount of $375,000 by December 31, 2014 and finally an aggregate amount of $825,000 by December 31, 2015. The transaction contemplated in the agreement is subject to all necessary regulatory approvals.

20. Transition to IFRS

As result of the Accounting Standards Board of Canada’s decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Company has adopted IFRS in these consolidated financial statements. The Company previously applied the available standards under previous Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 “First-time Adoption of International Financial Reporting Standards”, October 1, 2010 has been considered to be the date of transition to IFRS by the Company (the “Transition Date”). Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

The Company has applied the following optional transition exemptions to full retrospective application of IFRS:

IFRS 3 “Business Combinations” has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before October 1, 2010.

IAS 21 “The Effects of Changes in Foreign Exchange Rates” has not been applied to cumulative translation differences that existed at the date of transition to IFRS.

IFRS 2 “Share-based Payment” has not been applied to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

20. Transition to IFRS (cont'd)

The IFRS 1 mandatory exception applied by the Company in the conversion from Canadian GAAP to IFRS is as follows:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP unless those estimates were in error. The Company's IFRS estimates as at the Transition Date are consistent with its Canadian GAAP estimates as at that date.

The following summarizes the significant differences between the Company's GAAP accounting policies and those applied by the Company under IFRS:

(a) Share-based payment transactions

IFRS 2, similar to Canadian GAAP, requires the Company to measure share-based compensation related to share purchase options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, under IFRS 2, the recognition of such expense must be done with a "graded vesting" methodology as opposed to the straight-line vesting method allowed under Canadian GAAP. In addition, under IFRS, forfeitures estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods; while under Canadian GAAP, forfeitures of awards are recognized as they occur. There was no impact on the consolidated financial statements.

(b) Impairment of (non-financial) asset

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the consolidated financial statements.

(c) Decommissioning Liabilities

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There was no impact on the consolidated financial statements.

20. Transition to IFRS (cont'd)

The following summarizes the significant differences between the Company's GAAP accounting policies and those applied by the Company under IFRS: (cont'd)

(d) Reserves

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to Contributed Surplus. Under IFRS, these amounts have been reclassified as Reserves.

(e) Investments

Under Canadian GAAP, investments in warrants were valued on an intrinsic basis. Under IFRS, investments in warrants are valued at fair value using the Black-Scholes option model.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity and comprehensive income for prior periods presented under Canadian GAAP to IFRSs as of the same date. In addition, an explanation is required for any material adjustments to cash flows to the extent that they exist. The analysis which follows represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted:

(Expressed in Canadian Dollars)

20. Transition to IFRS (cont'd)

The reconciliation between the Canadian GAAP and IFRS consolidated statements of financial position as at October 1, 2010 (date of transition to IFRS) and September 30, 2011 is provided below:

		As at September 30, 2011			As at October 1, 2010		
	Notes	Canadian GAAP	IFRS Adjustments	IFRS	Canadian GAAP	IFRS Adjustments	IFRS
ASSETS		$	$	$	$	$	$
Marketable securities	20(e)	6,596,119	370,951	6,967,070	8,720,367	316,549	9,036,916
TOTAL ASSETS		7,186,244	370,951	7,557,195	9,812,490	316,549	10,129,039
SHAREHOLDERS' EQUITY							
Share capital		8,984,054	-	8,984,054	8,930,409	-	8,930,409
Contributed surplus	20 (d)	1,505,448	(1,505,448)	-	1,505,448	(1,505,448)	-
Reserves	20 (d)	-	1,505,448	1,505,448	-	1,505,448	1,505,448
AOCI	20(e)	(40,237)	122,116	81,879	3,651,147	(303,257)	3,347,890
Deficit	20(e)	(3,279,612)	248,835	(3,030,777)	(4,343,705)	619,806	(3,723,899)
TOTAL EQUITY		7,169,653	370,951	7,540,604	9,743,299	316,549	10,059,848
TOTAL LIABILITIES AND SHARESHOLDER'S EQUITY		7,186,244	370,951	7,557,195	9,812,490	316,549	10,129,039

(Expressed in Canadian Dollars)

20. Transition to IFRS (cont'd)

The reconciliation between Canadian GAAP and IFRS consolidated statements of income (loss) and comprehensive income (loss) for the year ended September 30, 2011 is provided below:

	Cdn GAAP 2011 $	IFRS Adjustments $	IFRS 2011 $
		Note 20 (e)	
Other income (loss)			
Gain on sale of marketable securities	1,153,008	55,635	1,208,643
Unrealized gain (loss) on derivative investments	10,000	(426,606)	(416,606)
Write-off of marketable securities	(11,310)	-	(11,310)
Total other income (loss)	1,151,698	(370,971)	780,727
Net income for the year	1,064,093	(370,971)	693,122
Other Comprehensive loss in the year	(4,343,705)	1,077,594	(3,266,011)
Comprehensive income for the year	(3,279,612)	706,723	(2,572,889)

The reconciliation between Canadian GAAP and IFRS statements of cash flow loss for the year ended September 30, 2011 is provided below:

	Cdn GAAP 2011 $	IFRS Adjustments $	IFRS 2011 $
		Note 20 (e)	
Net income for the year	1,064,093	(370,971)	693,122
Gain on sale of marketable securities	(1,153,008)	(55,635)	(1,208,643)
Unrealized gain (loss) on derivative investments	(10,000)	426,606	416,606
Operating activities	(92,611)	-	(92,611)