GRAND PEAK CAPITAL CORP.

Consolidated Financial Statements

For The Years Ended September 30, 2013 and 2012

Expressed in Canadian Dollars

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AChan

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, 2013 and September 30, 2012, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years ended September 30, 2013 and September 30, 2012, 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, 2013 and September 30, 2012, and its consolidated financial performance and its consolidated cash flows for the years ended September 30, 2013 and September 30, 2012 in accordance with International Financial Reporting Standards.

"A Chan and Company LLP"
Chartered Accountants

Vancouver, British Columbia
January 24, 2014

Grand Peak Capital Corp.
Consolidated Statements Of Financial Position
(Expressed In Canadian Dollars)

	Notes		September 30 2013		September 30 2012
ASSETS					
Current assets					
Cash and cash equivalents	4	$	33,682	$	44,833
Marketable securities	6		1,146,495		4,177,351
Loans receivable	7		-		34,405
Deposit			50,000		-
Accounts and HST receivable			4,860		6,926
			1,235,037		4,263,515
Non-current assets					
Property, plant and equipment	8		-		1,467
Other investments	9		385,685		470,960
Incorporation costs			460		460
TOTAL ASSETS		$	**1,621,182**	$	**4,736,402**
LIABILITIES					
Current liabilities					
Payables and accrued liabilities	10	$	17,673	$	39,120
Mineral property payment payable	10&16		100,000		95,023
			117,673		134,143
Non-current liabilities			-		90,490
			-		
TOTAL LIABILIITES			117,673		224,633
SHAREHOLDERS' EQUITY					
Share capital	11		8,707,804		8,707,804
Reserves	11		1,505,448		1,505,448
Accumulated other comprehensive loss			(2,160,361)		(2,430,541)
Deficit			(6,549,382)		(3,270,942)
TOTAL EQUITY			1,503,509		4,511,769
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	**1,621,182**	$	**4,736,402**

Subsequent event (Note 17)

APPROVED AND AUTHORIZED BY THE DIRECTORS ON January 24, 2014:

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

– See Accompanying Notes to the Consolidated Financial Statements –

Grand Peak Capital Corp.
Consolidated Statements Of Loss And Comprehensive Loss
For The Years Ended September 30, 2013 and 2012
(Expressed In Canadian Dollars)

	September 30, 2013	September 30, 2012
Revenue		
Interest and royalty income	$ 5,212	$ 15,422
	5,212	15,422
Expenses		
Amortization	1,467	629
Bank charges & interest	3,023	1,260
Foreign exchange loss (gain)	(4,539)	6,566
Office and miscellaneous	12,978	9,798
Professional fees	26,412	38,279
Rent	-	30,000
Transfer / regulatory fees	19,066	13,002
	58,407	99,534
Other income (loss)		
Loss on sale of marketable securities	(755,385)	(3,414)
Unrealized loss on derivative investments	(200,846)	(152,952)
Accretion on property payment payable (Note 16)	(14,487)	(16,093)
Write-off of loan receivable (Note 7)	(36,050)	-
Write-down of marketable securities (Note 6)	(2,220,548)	-
Gain on debt settlement	2,071	-
Recoveries	-	16,406
	(3,225,245)	(156,053)
Net loss for the year	**(3,278,440)**	**(240,165)**
Other Comprehensive loss (income) in the year	270,180	(2,512,420)
Comprehensive loss for the year	**$ (3,008,260)**	**$ (2,752,585)**
Weighted Average Number of Shares Outstanding	**24,466,702**	**24,466,702**
Loss per share	**$ (0.13)**	**$ (0.01)**

– 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, 2013 and 2012
(Expressed in Canadian Dollars)

	Notes	Number of shares	Amount	Stock option reserve	AOCI	Deficit	Total
Balance at Sept 30, 2012		**24,466,702**	**$ 8,707,804**	**$ 1,505,448**	**$ (2,430,541)**	**$ (3,270,942)**	**$ 4,511,769**
Comprehensive Loss:							
Loss for the year		-	-	-	-	(3,278,440)	(3,278,440)
Other comprehensive loss		-	-	-	(1,950,368)	-	(1,950,368)
Write-down of marketable securities		-	-	-	2,220,548	-	2,220,548
Total comprehensive loss for year		-	-	-	(2,160,361)	(6,549,382)	1,503,509
Private placement		-	-	-	-	-	-
Stock-based compensation		-	-	-	-	-	-
Balance at September 30, 2013		**24,466,702**	**$ 8,707,804**	**$ 1,505,448**	**$ (2,160,361)**	**$ (6,549,382)**	**$ 1,503,509**

	Notes	Number of shares	Amount	Stock option reserve	AOCI	Deficit	Total
Balance at Sept 30, 2011		**24,466,702**	**$ 8,984,054**	**$ 1,505,448**	**$ 81,879**	**$ (3,030,777)**	**$ 7,540,604**
Comprehensive loss:		-					
Loss for the year		-	-	-	-	(240,165)	(240,165)
Other comprehensive loss		-	-	-	(2,512,420)		(2,512,420)
Total comprehensive loss for year		-	-	-	(2,512,420	(240,165)	(2,512,420)
Spinoff of Acana Capital Corp.	5	-	(276,250)	-	-	-	(276,250)
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**

– See Accompanying Notes to the Consolidated Financial Statements –

Grand Peak Capital Corp.
Consolidated Statements Of Cash Flow
For The Years Ended September 30, 2013 and 2012.
(Expressed in Canadian Dollars)

		September 30, 2013	September 30, 2012
Operating activities			
Net loss for the year		$ (3,278,440)	$ (240,165)
Adjustments for non-cash items:			
Unrealized loss on derivative investments		200,846	152,952
Amortization		1,467	629
Loss on the sale of marketable securities		755,385	3,414
Gain on debt settlement		(2,071)	-
Write-off of loan receivable		36,050	-
Write-down of marketable securities		2,220,548	-
Accretion on property payment payable		14,487	16,093
Changes in non-cash working capital items:			
Accounts receivable		421	6,199
Payables and accrued liabilities		(19,376)	22,528
Net cash flows from (used in) operating activities		(70,683)	(38,350)
Investing activities			
Net Marketable securities		74,257	120,933
Non-marketable investments		(14,725)	(151,540)
Net cash flows from (used in) investing activities		59,532	(30,607)
Increase (decrease) in cash and cash equivalents		(11,151)	(68,957)
Cash and cash equivalents, beginning		44,833	113,790
Cash and cash equivalents, ending		**$ 33,682**	**$ 44,833**
Non-cash Transactions:			
Spin-off of Acana Capital Corp.	Note 5	$ -	$ 276,250
Cash paid for:			
Interest		$ -	$ -
Income tax		$ -	$ -

– See Accompanying Notes to the Consolidated Financial Statements –

(Expressed in Canadian Dollars)

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's working capital 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.

	September 30, 2013	September 30, 2012
	$	$
Working capital	1,117,364	4,129,372

The Company is engaged primarily in investing in small cap resource sector public companies. During the year ended September 30, 2013, the Company was involved in trading through its portfolio and the disposal of its mineral property.

NOTE 2 – STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements 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 ("IFRIC").

b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. Cost is the fair value of the consideration given in exchange for net assets.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary (collectively, the “Company”). Intercompany balances and transactions were eliminated in preparing the consolidated financial statements.

Entity	Incorporation	Status	Functional Currency
0868964 BC Ltd.	Canada	Non-Active	Canadian Dollar
Grand Peak Mexican Holding Inc.	Canada	Active	Canadian Dollar
Grand Peak Mexico SA de CV	Mexico	Active	Canadian Dollar

d) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

e) Cash and Cash Equivalents

Cash and cash equivalents consist of balances on deposit and investments in term deposits with an initial term of generally less than three months from date of purchase that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in fair value.

f) Property and Equipment

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

Depreciation is recognized to write off the cost of the property and equipment less their residual values over their useful lives using the declining balance method at various rates. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

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

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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 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.

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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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.

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.

j) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

k) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

and restoration provision is adjusted at each reporting period for changes to factors, including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

(i) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

l) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

n) 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.

o) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

p) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

q) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

i) Financial Assets

II) NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

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

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss ("FVTPL")*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- ***Held-to-maturity investment***s – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

  Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

interest rate method amortization process.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

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), and IFRS 13, Fair Value Measurement (IFRS 13). 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

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2013		September 30, 2012
Canadian cash in bank	$	32,640	$	43,838
US dollars in bank		1,042		995
	$	33,682	$	44,833

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 30, 2012

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

(Expressed in Canadian Dollars)

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%
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	-

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES (*Cont'd)*2012

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.
- Securities in privately-held companies are recorded at cost less impairment.

SEPTEMBER 30, 2013

A) BMO Investor Line Grand Peak Investments as at the September 30, 2013 – Year End

(Expressed in Canadian Dollars)

Issuer	# of Securities	Average Cost $	Fair Value $	% of Portfolio
AAN Ventures	1,650,000	172,306	16,500	1%
Acana Capital Corp.	3,300,000	133,500	132,000	12%
Arris Holdings	570,000	-	28,500	3%
Cache Exploration Inc.	23,000	1,137	575	-
Caldera Resources Corp.	12,400	3,106	-	-
Canarc Resources Corp.	135,000	42,535	10,125	1%
Caza Gold Corp. Corp.	22,500	7,875	1,012	-
Chimata Gold Corp.	1,821,800	273,270	109,308	10%
Choice Gold Corp.	577,000	40,390	2,885	1%
Cielo Waste Solutions Inc.	195,000	5,850	29,250	3%
Coastal Gold Corp.	1,546,800	603,865	46,404	4%
Continental Precious	539,000	95,690	40,425	4%
Dajin Resources Corp.	47,500	1,906	3,325	-
EasyMed Services Inc.	1,420,000	966,336	14,200	1%
Elissa Resources Ltd.	14,500	870	362	-
Eloda Corp.	831,000	-	-	-
Emerge Resource Corp.	931,000	96,130	27,930	2%
Entrée Gold Corp.	400	463	120	-
Forbes & Manhattan Coal	21,155	16,850	4,760	1%
Forest Gate Energy Inc.	25,000	3,280	-	-
GB Minerals Ltd	45,222	65,244	6,557	1%
Grenville Gold Corp.	1,060,000	119,459	47,700	4%
HTC Pure Energy	213,000	89,400	50,055	4%
Inca Metals Corp.	62,500	27,323	5,000	-
Innovative Properties	660,601	55,925	9,909	1%
IRI Separation Tech. Inc.	172,000	2,610	-	-
Largo Resources Ltd.	500	72	95	-
Lucky Minerals Inc.	156,500	52,996	71,990	6%
Macmillan Minerals	500,000	25,000	10,000	1%
Maxtech Ventures Inc.	584,266	912,257	116,853	10%
ME Resources	570,000	11,400	139,650	12%
Menika Mining	100,000	3,520	500	-
Midasco Capital	218,000	13,090	1,090	-
Musgrove Minerals	460,556	165,943	13,817	1%
Nevada Exploration	245,000	19,610	24,500	2%
Pacific Bay Minerals Ltd.	3,000	903	120	-
Peregrine Diamonds Ltd.	45,000	20,446	30,600	3%
Phoenix Copper Corp.	25,000	505	625	-
Pitch Black Resources Ltd.	4,368	9,173	175	-
Pyng Medical Corp.	149,000	42,037	6,705	1%
Quantitative Alpha Trading	3,125,000	468,858	-	-
Range Energy Res	750,000	150,000	15,000	1%
Stetson Oil & Gas	88,772	79,011	6,658	1%

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES *(Cont'd)*

2013				
Upper Canyon Minerals C.	620,000	173,657	-	-
Uragold Bay Res Inc.	12,500	3,735	750	-
Vast Exploration	4,500	87,759	675	-
W12Wi – Sove Common	251,000	140,426	71,535	6%
W12Wi – Sove Preferred	251,000	-	-	-
Xemplar Energy Corp.	150,500	93,459	6,773	1%
		5,299,178	1,105,013	

B) Haywood Grand Peak investments at the September 30, 2013 - Year End

Issuer	# of securities	Average Cost $	Fair Value $	% of Portfolio
Choice Gold Corp.	1,000,000	50,000	5,000	-
Lucky Minerals Inc.	50,000	488	23,000	2%
Vast Exploration Inc.	665,000	166,250	1,995	-
WTS AAN Ventures	1,333,333	85,333	6,666	1%
WTS EM Gold	2,000,000	52,520	0	-
WTS Grenville	500,000	44,123	2,500	-
WTS Innovative	653,601	-	653	-
WTS Musgrove	555,556	34,368	1,667	-
		433,082	41,482	
Total Securities		**$5,732,260**	**$1,146,495**	**100%**

- Investments in warrants are valued at fair value using the Black-Scholes option model.
- Securities in privately-held companies are recorded at cost less impairment.

During the year ended September 30, 2013, certain marketable securities at fair value incurred a decline in value that was considered "other-than-temporary". Accordingly, the decline of $2,220,548 was transferred from accumulated other comprehensive loss and was recognized in the consolidated statements of loss.

7. Loans receivable

A loan receivable of US$35,000 (2012 – US$35,000) is from Akmola Gold Corp. The loan is without interest and due on demand. As of September 30, 2013 Grand Peak Capital and Akmola Gold no longer have common officers or directors. A loan receivable of US$35,000 written off during the year ended September 30, 2013.

(Expressed in Canadian Dollars)

8. Property, plant and equipment

		Office Equipment			Office Equipment
Cost:			**Cost:**		
At Sept 30, 2012	$	62,075	At Sept 30, 2011	$	62,075
Additions		-	Additions		-
Disposals		-	Disposals		-
At Sept 30, 2013		62,075	At Sept 30, 2012		62,075
Depreciation:			**Depreciation:**		
At Sept 30, 2011		60,609	At Sept 30, 2011		59,980
Charge for the year		1,467	Charge for the year		629
At Sept 30, 2013		62,075	At Sept 30, 2012		60,609
Net book value:			**Net book value:**		
At Sept 30, 2012		1,467	At Sept 30, 2011		2,095
At Sept 30, 2013	**$**	**nil**	**At Sept 30, 2012**	**$**	**1,467**

9. Other Investments

A) Investments held outside trading accounts as at the September 30, 2013 – 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 2013	Vianey, Mexico	September 30 2012
Acquisition open	$364,420	$364,420	$50,000	$50,000
Acquisition added	-	-	314,420	314,420
Option payment	(100,000)	(100,000)	-	-
Total acquisition	264,420	264,420	-	364,420
Maintenance open	6,540	6,540	-	-
Maintenance added	14,725	14,725	6,540	6,540
Total maintenance	21,265	21,265	-	6,540
Total investment	$ 285,685 -	$285,685	$ -	$370,960

(Expressed in Canadian Dollars)

9. Other Investments (Continued)

B) Investments in Vianey mining concessions (Continued)

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 (cash $100,000 paid in December, 2012) and CDN$100,000 or common shares of the Company on the second annual anniversary of the date of signing of the Agreement (200,000 shares issued in November, 2013).

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 was subject to a 15% penalty if payment was made with common shares of the Company; however, in the event the Company paid in cash, the 15% penalty would be waived by Musgrove. The second payment of $100,000 was made to Musgrove in December, 2012.

The Company entered into an agreement dated November 28, 2012 and amended in December 2013 to option the Vianey mining concessions to Lucky Minerals Inc. ("Lucky Minerals"), a company related by a common director. In order to exercise the Option, Lucky Minerals must make the following cash payments to the Company: $100,000 upon the issuance of this Exchange bulletin(approved on May 14, 2013) – ($100,000 paid in May, 2013); $200,000 on or before December 31, 2013 (subsequently, extended to June 1 2014);$100,000 on or before June 1, 2014; $100,000 on or before December 1, 2014;$100,000 on or before June 1, 2015; and $100,000 on or before December 1, 2015.

Lucky Minerals must also incur exploration expenditures on the property as follows: $125,000 on or before December 31, 2013(subsequently, extended to December 31, 2014); an additional $250,000 by December 31, 2014; and an additional $450,000 by December 31, 2015.

The Company will retain a 2% net smelter royalty ("NSR"). Lucky Minerals may purchase 1% of the NSR for $1,000,000 at any time until December 1, 2015.

10. Payables and accrued liabilities

		September 30, 2013		September 30, 2012
Payables		1,923		22,320
Accrued liabilities		15,750		16,800
Vianey – final payment (Note 16)		100,000		95,023
	$	117,673	$	134,143

11. Share capital

Authorized share capital

Unlimited number of common shares without par value:

Issued share capital

At September 30, 2013 there were 24,466,702 issued and fully paid common shares (September 30, 2012 – 24,466,702).

Private placements

No shares were issued for cash during the year ended September 30, 2013 or 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 September 30, 2013 or at September 30, 2012.

Share Purchase Warrants

There were no warrants outstanding at September 30, 2013 or at September 30, 2012.

(Expressed in Canadian Dollars)

11. Share capital (Continued)

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, 2013	September 30, 2012
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

12. Related party transactions

Related party balances

The following amounts from related parties are:

	September 30, 2013	September 30, 2012
Companies with common officers and directors – loan (note 7)	-	34,405
	$ -	$ 34,405

Related party transactions

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

	September 30, 2013	September 30, 2012
Professional services	3,990	4,270
	$ 3,990	$ 4,270

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 and 9 also provide information on related party transactions

(Expressed in Canadian Dollars)

13. Income taxes

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

	For the year ended September 30 2013 $	For the year ended September 30 2012 $
Net income (loss) for the year	(3,278,440)	(240,165)
Expected income tax rate	25.5%	25.5%
Expected income tax	(836,002)	(61,242)
Net effects of non-deductible amounts	375,123	3,558
Change in tax rate and estimate	(193,354)	-
Current and prior tax attributes not recognized	654,233	57,684
	-	-

Deferred Tax Assets:

	For the year ended September 30 2013 $	For the year ended September 30 2012 $
Non-capital and capital loss carry forwards	788,032	416,735
Equipment	50,914	48,589
Marketable securities	315,302	33,840
Share issue costs and other	6,941	7,792
Unrecognized deferred tax assets	(1,161,189)	(506,956)
Total Deferred Tax Assets	-	-

At September 30, 2013, the Company has non capital losses carried forward for Canadian income tax purposes totalling approximately $940,000, which will expire through to 2033 and may be applied against future taxable income. The Company also has capital losses carried forward for Canadian income tax purposes totalling approximately $4,180,000 of which are available for deduction against future capital gains.

At September 30, 2013, 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.

14. 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 credit risk is primarily attributable to cash and cash equivalents, accounts and GST receivables and investment. 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 bank 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 another exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and from a related company. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk concentration with respect to financial instruments above is remote.

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 sale of marketable securities or 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, 2013:

		Within one year	Between one and five years	More than five years
Payables	$	17,673	-	-
Mineral property payment payable		100,000	-	-
	$	117,673	-	-

14. Financial risk management (cont'd)

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, 2013.

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 carrying values of cash, accounts receivable, accounts payable and accrued liabilities and mineral property payment payable approximate their fair values due to the short-term maturity of these financial instruments. The fair value of investments is based on quoted market values, except for those investments that do not have a quoted market price in an active market, which are measured at cost, as currently there is not an active market for those investments. The Company does not have a timeline as to the disposition of those investments that do not have a quote market price in an active market.

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.

(Expressed in Canadian Dollars)

14. Financial risk management (cont'd)

Fair value (cont'd)

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2013 and September 30, 2012:

		As at September 30, 2013		
		Level 1	Level 2	Level 3
Cash and cash equivalents	$	33,682	-	-
Marketable securities		1,135,008	-	11,487
	$	1,168,690	-	11,487

		As at September 30, 2012		
		Level 1	Level 2	Level 3
Cash and cash equivalents	$	44,833	-	-
Marketable securities		3,995,707	-	181,645
	$	4,040,540	-	181,645

15. 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, 2013		
		Canada	Other	Total
Investments	$	1,146,495	385,685	1,532,180

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

(Expressed in Canadian Dollars)

16. 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 9 (B), the Company was 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 and 200,000 shares issued in November, 2013).

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

As at September 30, 2013, the carrying value of this Mineral Property Payment Payable was $100,000 which was considered current. During the year ended September 30, 2013, interest of $14,487 (2012: $16,093) 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
Mineral Property Payment made	(100,000)
Accretion for the year	14,487
Balance, September 30, 2013	$ 100,000

17. Subsequent Events

In November, 2013 the Company made its final payment to Musgrove Minerals Corp. to complete its acquisition of the Vianey claims, via an issuance of 200,000 common shares in the capital of its stock. (Note 9 (b))

In December, 2013, the Company has entered into an Addendum to the Option Agreement dated November 28, 2012 (the "Agreement") with Lucky Minerals whereby the second payment to the Company shall be extended and blended into the third payment, which is due by June 1, 2014 and further, Lucky Minerals may elect to make any such payments via common share issuance in its capital stock in lieu of cash. The first work cost requirement has also been extended to December 31, 2014 and blended into the second requirement for work costs totaling $375,000.00. (Note 9(b))

The foregoing may be subject to regulatory approval.