Lions Gate Metals Inc.
(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2013
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the Company’s management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants, for a review of interim consolidated financial statements by an entity's auditor.

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	**September 30, 2013 $**	December 31, 2012 $
Assets			
Current assets			
Cash and cash equivalents		**90,166**	1,004,834
Available-for-sale investments	4	**24,994**	151,667
Amounts receivable	5	**39,099**	44,124
Prepaid expenses		**20,395**	62,152
		174,654	1,262,777
Non-current assets			
Loan receivable	6	**1**	1
Reclamation deposits	7	**60,839**	89,089
Equipment	8	**28,623**	35,947
Exploration and evaluation assets	9	**5,817,936**	5,144,328
		5,907,399	5,269,365
Total assets		**6,082,053**	6,532,142
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**33,825**	129,074
Due to related parties	10	**5,389**	2,203
		39,214	131,277
Equity			
Share capital	11	**21,057,337**	20,932,337
Share purchase warrants		**356,207**	1,863,972
Contributed surplus		**5,345,800**	3,838,035
Deficit		**(20,716,505)**	(20,233,479)
		6,042,839	6,400,865
Total liabilities and equity		**6,082,053**	6,532,142

Nature of operations and going concern – Note 1
Commitments – Notes 9, 11 and 13
Events after the reporting date – Notes 4, 9, 11 and 14

Approved on behalf of the Board of Directors on November 29, 2013:

“Arni Johannson” Director *“William Filtness, CA”* Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Loss
(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30,		**Nine months ended September 30,**	
		2013	2012	**2013**	2012
Operating expenses					
Accounting and audit	10	**18,251**	7,000	**53,980**	35,300
Advertising and promotion		**2,572**	11,541	**16,170**	117,629
Amortization		**2,259**	3,296	**7,324**	10,710
Financing fees and bank charges		**334**	229	**969**	1,270
Conferences and trade shows		**-**	-	**-**	7,663
Consulting fees	10	**4,500**	91,142	**13,154**	259,838
Director fees	10	**-**	4,250	**3,000**	16,250
Filing and transfer agent fees		**5,402**	2,538	**27,339**	17,779
General exploration		**-**	1,313	**2,822**	3,279
Insurance		**2,920**	6,636	**8,760**	21,037
Investor relations		**-**	5,359	**-**	35,120
Legal		**3,450**	10,138	**14,876**	41,425
Office, rent and telephone	10	**9,472**	35,922	**55,439**	133,420
Salaries and benefits	10	**32,170**	115,311	**149,136**	297,780
Share-based compensation		**-**	5,991	**-**	135,180
Travel and accommodation		**100**	1,060	**5,460**	40,989
Loss for the period before other items		**(81,430)**	(301,726)	**(358,429)**	(1,174,666)
Other income (expense)					
Interest		**874**	152	**2,076**	3,636
Impairment of available-for-sale investments		**(10,172)**	-	**(126,673)**	-
Foreign exchange		**-**	(982)	**-**	(1,709)
Net loss for the period		**(90,728)**	(302,556)	**(483,026)**	(1,172,739)
Other comprehensive income					
Fair value gain (loss) on available-for-sale investments		**-**	7,479	**-**	(35,784)
Total comprehensive loss for the period		**(90,728)**	(295,077)	**(483,026)**	(1,208,523)
Weighted average number of shares outstanding		**28,147,826**	25,529,987	**27,415,225**	25,008,182
Basic and diluted loss per share		**(0.00)**	(0.01)	**(0.02)**	(0.05)

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital $	Share purchase warrants $	Contributed surplus $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance at December 31, 2011	23,491,826	20,224,650	3,166,114	2,297,441	(10,616)	(16,896,832)	8,780,757
Loss for the period	-	-	-	-	-	(1,172,739)	(1,172,739)
Private placement	2,000,000	860,000	-	-	-	-	860,000
Stock options issued	-	-	-	147,588	-	-	147,588
Warrants issued		(106,207)	106,207				-
Expiry of warrants	-	-	(1,408,349)	1,408,349	-	-	-
Mineral property interest issuances	105,000	47,850	-	-	-	-	47,850
Share issue costs	-	(67,196)	-	-	-	-	(67,196)
Change in fair value of investments	-	-	-	-	(35,784)	-	(35,784)
Shares held in treasury	(99,000)	(37,260)	-	-	-	-	(37,260)
Balance at September 30, 2012	25,497,826	20,921,837	1,863,972	3,853,378	(46,400)	(18,069,571)	8,523,216
Loss for the period	-	-	-	-	-	(2,163,908)	(2,163,908)
Stock options issued/forfeited	-	-	-	(15,343)	-	-	(9,352)
Change in fair value of investments	-	-	-	-	46,400	-	46,400
Bridge loan share issuance	150,000	10,500	-	-	-	-	10,500
Balance at December 31, 2012	25,647,826	20,932,337	1,863,972	3,838,035	-	(20,233,479)	6,400,865
Loss for the period	-	-	-	-	-	(483,026)	(483,026)
Expiry of warrants	-	-	(1,507,765)	1,507,765	-	-	-
Shares issued for acquisition of mineral property	2,500,000	125,000	-	-	-	-	125,000
Balance at September 30, 2013	28,147,826	21,057,337	356,207	5,345,800	-	(20,716,505)	6,042,839

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended	
	September 30, 2013	September 30, 2012
	$	$
Cash flows (used in) provided by:		
Operating activities		
Net loss for the period	**(483,026)**	(1,172,739)
Items not affecting cash		
Amortization	**7,324**	10,710
Share-based compensation	**-**	135,180
Foreign exchange loss	**-**	1,709
Impairment of available-for-sale investments	**126,673**	-
Changes in non-cash operating working capital:		
Amounts receivable	**5,025**	295,825
Prepaid expenses	**41,757**	24,657
Accounts payable and accrued liabilities	**(95,249)**	44,699
Due to related parties	**3,186**	69,308
Net cash used in operating activities	**(394,310)**	(590,651)
Investing activities		
Exploration and evaluation assets	**(548,608)**	(851,261)
Reclamation deposit	**28,250**	(28,981)
Net cash used in investing activities	**(520,358)**	(880,242)
Financing activities		
Proceeds from common share issuance	**-**	400,000
Proceeds from flow-through share issuance	**-**	460,000
Repurchase of shares returned to treasury	**-**	(37,260)
Loan to officer	**-**	(50,000)
Payments of share issuance costs	**-**	(67,196)
Net cash from financing activities	**-**	705,544
Decrease in cash and cash equivalents during the period	**(914,668)**	(765,349)
Cash and cash equivalents at beginning of period	**1,004,834**	784,382
Cash and cash equivalents at end of period	**90,166**	19,033
Non-cash items excluded from investing and financing activities:		
Accrued mineral property costs included in accounts payable and due to related party	**-**	76,810
Share-based payment on acquisition of mineral property	**125,000**	47,850

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of Operations and Going Concern

Lions Gate Metals Inc. (the "Company") was incorporated under the Canada Business Corporations Act on March 28, 1980, and is in the business of acquiring, exploring and developing mineral properties. The Company is listed on the TSX Venture Exchange and is currently in the exploration stage with mineral properties in Canada. The Company's registered and records office is located at #490 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, future profitable production or disposition thereof, and the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine months ended September 30, 2013 the Company incurred a comprehensive loss of $483,026 (September 30, 2012: $1,208,523) and as of that date the Company's deficit was $20,716,505 (December 31, 2012: $20,233,479). As at September 30, 2013 the Company had working capital of $135,440 which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding. These conditions cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Presentation

The condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited consolidated financial statements for the year ended December 31, 2012 except as outlined in Note 3. They do not include all the information required for complete annual financial statements 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") and therefore should be read together with the audited annual consolidated financial statements for the year ended December 31, 2012.

These condensed interim consolidated financial statements were approved by the Company's Board of Directors for issue on November 29, 2013.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a high degree of judgment or complexity where assumptions and estimates are significant to the financial statements are considered to be the assessment of carrying value, confirmation of title, and recoverability of mineral properties. Title to mineral property interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all are in good standing.

The process of estimating the recoverability of mineral properties involves both judgment and uncertainty as it relies on both an interpretation of technical geological data as well as economic considerations including current and estimated future commodity prices and exploration costs. As new data or information is received these estimates may change.

The condensed interim consolidated financial statements include the accounts of the Company and its inactive wholly owned British Columbian subsidiary, Northern Canadian Metals Inc.

3. Changes in Accounting Policies Including Initial Adoption

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013.

The following new standards, amendments and interpretations that have been adopted for the Company's current fiscal year have not had a material impact on the Company:

- IFRS 10 *"Consolidated Financial Statements"*
- IFRS 11 *"Joint Arrangements"*
- IFRS 12 *"Disclosure of Interests in Other Entities"*
- IFRS 13 *"Fair Value Measurement"*
- IAS 1 *"Presentation of Financial Statements"* amendments

The following new standard has been issued but not yet applied:

IFRS 9 "Financial Instruments" was issued in November 2009 and addresses classification and measurement of financial assets. It 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 or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. The Company has not assessed the impact of this standard.

4. Available-For-Sale Investments

Available-for-sale investments consist of investments in quoted equity shares. The fair value of the publicly traded shares has been determined directly by reference to published price quotations in an active market. For the year ended December 31, 2012, the Company noted a significant or prolonged decline in the fair value of investments below cost. As a result of this objective evidence of impairment, the cumulative loss was removed from other comprehensive income and recognized as impairment. A further impairment was recognized for the nine months ended September 30, 2013.

	September 30, 2013		December 31, 2012	
Quoted equity shares	# of shares	Cost and Fair Value $ [3]	# of shares	Cost and Fair Value $ [3]
Copper One Inc.	20,000	1,500	20,000	1,300
Crescent Resources Corp (formerly Coventry Resources Inc.)[1]	17,600	1,408	88,000	3,520
Catalyst Copper Corp.	167,000	1,670	167,000	9,185
Wolf Resource Development Corp. (formerly Ferro Iron Ore Corp)[2]	104,166	10,416	416,667	81,250
Touchstone Gold Ltd.	400,000	10,000	400,000	56,412
		24,994		151,667

[1] On January 8, 2013 Crescent Resources Corp and Coventry Resources completed a business combination resulting in Coventry becoming a wholly-owned subsidiary of Crescent Resources Corp. Prior to the transaction there was a share consolidation on a 5:1 basis, thus changing the Company's holdings from 88,000 shares to 17,600 shares.
[2] On July 18, 2013 Ferro Iron Ore Corp. announced it would change its name to Wolf Resource Development Corp. Additionally, it completed a share consolidation on a 4:1 basis, thus changing the Company's holdings from 416,667 shares to 104,166 shares.
[3] Cost includes original cost less any impairment.

In November, 2013 the Company purchased 151,000 shares of Archer Petroleum Corp. for cash of $52,697 as an additional available-for sale investment.

5. Amounts Receivable

Amounts receivable consists of:

	September 30, 2013	December 31, 2012
	$	$
GST Recoverable	3,413	6,469
METC Receivable	-	28,638
Other Receivables (1)	35,686	9,017
Total	39,099	44,124

[1] Other receivables include amounts owing for the sub-rental of office premises and recoverable Poplar mineral property maintenance costs.

6. Loan Receivable

In November, 2008, the Company loaned $400,000 U.S. to a third party borrower. As security, the borrower provided a promissory note which acknowledged itself indebted to the Company. In subsequent years the Company received total repayments of US$200,000 from the borrower but, given concerns with regards to collectability, the remaining loan is recorded at nominal value. The Company continues to retain its rights to collect the remaining outstanding balance of US$200,000 plus interest.

7. Reclamation Deposits

The Company is required to provide reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary in connection with the permits required for exploration activities by the Company. The reclamation deposits are held in guaranteed investment certificates with a reputable Canadian financial institution and are allocated to the properties as follows:

Property	September 30, 2013	December 31, 2012
	$	$
Poplar	60,389	60,389
Accrued interest	450	-
ROK-Coyote	-	28,700
Total	60,839	89,089

8. Equipment

	Computer Equipment $
Cost at December 31, 2012 and September 30, 2013	56,594
Accumulated Amortization	
At December 31, 2012	20,647
Amortization charge	7,324
At September 30, 2013	27,971
Net book value	
At December 31, 2012	35,947
At September 30, 2013	28,623

9. Exploration and Evaluation Assets

Balance at September 30, 2013

	Province of British Columbia		Province of Saskatchewan	
	Poplar	Copperline	Whitford Lake	Total
	$	$	$	$
Deferred Acquisition Costs				
Balance at December 31, 2012	1,261,692	1	-	1,261,693
Paid by issue of shares	-	-	125,000	125,000
Paid in cash	25,053	-	300,000	325,053
Balance at September 30, 2013	1,286,745	1	425,000	1,711,746
Deferred Exploration Expenditures				
Balance at December 31, 2012	3,882,635	-	-	3,882,635
Consulting	6,861	-	-	6,861
Field Expenditures	-	-	25,000	25,000
Geophysical	2,326	-	189,000	191,326
Miscellaneous	368	-	-	368
Balance at September 30, 2013	3,892,190	-	214,000	4,106,190
Total at September 30, 2013	5,178,935	1	639,000	5,817,936

Balance at December 31, 2012

Canadian Mineral Property Interests Province of BC	Balance December 31, 2011	2012 Costs Incurred	Write-Down for Valuation	Balance December 31, 2012
	$	$	$	$
Deferred Acquisition Costs				
Poplar mineral property - 100% interest	1,036,486	225,206	-	1,261,692
Kelly Creek mineral property – 100%	1		(1)	-
Hudson Bay Mountain mineral property	1,175,575	-	(1,175,575)	-
Copperline mineral property - 60%	1	-	-	1
ROK – Coyote mineral property - 75%	234,000	72,012	(306,012)	-
	2,446,063	297,218	(1,481,588)	1,261,693
Deferred Exploration Expenditures				
Poplar				
Airborne survey	334,129	-	-	334,129
Assays/Metallurgy	55,953	18,820	-	74,773
Camp costs	796,727	2,123	-	798,850
Consulting	700,441	207,661	-	908,102
Drilling	1,766,392	-	-	1,766,392
Environmental	122,849	16,279	-	139,128
Field expenditures and personnel	693,082	16,400	-	709,482

Geophysical/I.P. magnetic survey	449,831	100,093	-	549,924
Maps and reports	3,071	4,813	-	7,884
Miscellaneous	65,758	4,723	-	70,481
Telecommunications	11,726	4,035	-	15,761
Community Relations/Traditional use	67,295	17,500	-	84,795
Travel and accommodation	88,632	-	-	88,632
Mining exploration tax credits claimed	(702,334)	(21,364)	-	(723,698)
Cash deposits received	-	(942,000)	-	(942,000)
	4,453,552	(570,917)	-	3,882,635
Hudson Bay Mountain				
Consulting	41,816	6,415	(48,231)	-
Camp costs	25,862	-	(25,862)	-
Field expenditures and personnel	62,532	-	(62,532)	-
Geological	27,302	771	(28,073)	-
Miscellaneous	3,479	104	(3,583)	-
Mining exploration tax credits claimed	(27,645)	27,645	-	-
ROK – Coyote				
Consulting & Community Relations	61,248	36,461	(97,709)	-
Camp costs	15,667	-	(15,667)	-
Field expenditures and personnel	95,188	410	(95,598)	-
Geophysical	39,107	2,580	(41,687)	-
Mining exploration tax credits claimed	(17,921)	17,701	220	-
	4,780,187	(478,830)	(418,722)	3,882,635
Total at December 31, 2012	7,226,250	(181,612)	(1,900,310)	5,144,328

Poplar mineral property

By an agreement dated April 20, 2004 and later amended on July 30, 2007, the Company was granted an option to acquire a 100% interest in certain mineral claims, known as the Poplar mineral property interest ("Poplar 1"), situated in the Omineca Mining Division of B.C. The Company has met all required cash payments and share issuances related to the acquisition of Poplar 1.

The Poplar 1 agreement included an underlying 2% net smelter return royalty ("NSR") on the property including minimum annual advance royalties of $75,000. During the 2012 fiscal year the Company fully terminated the minimum advance royalties obligation.

On April 29, 2009 the Company entered into an option agreement to acquire a 100% interest in mineral claims south of Poplar Lake ("Poplar 2") in exchange for the issue of 100,000 common shares. The property is subject to a 1% NSR which can be purchased by the Company for $1,000,000 less any NSR amounts previously paid.

On May 25, 2009 the Company entered into an option agreement to acquire a 100% interest on additional mineral claims south of Poplar Lake ("Poplar 3") in exchange the issue of 30,000 common shares. This property is subject to a 1% NSR which can be purchased by the Company for $100,000 less any NSR amounts previously paid.

In December 2011 and July 2012, the Company staked additional claims ("Poplar 4") resulting in a total Poplar 1 through Poplar 4 inclusive land position of approximately 199 claims covering 77,914 hectares.

During the year ended December 31, 2008, the Company staked 44,963 additional hectares in the area adjacent to the Poplar mineral property. These mineral claim holdings are 100% owned by the Company and all mineral claims are current and in good standing.

The Company's Poplar Copper Gold & Silver Project ("Poplar") mineral property is located in traditional Wet'suwet'en territories. On August 20, 2009 the Company signed a Memorandum of Understanding ("MoU") with the Office of the Wet'suwet'en (the "OW") which represents the interests of five Clans and thirteen Houses. The MoU recognized that both parties to the MoU are committed to a respectful and consultative relationship with respect to the mineral property and the Company has committed to make annual cash payments of $10,000 until such time as the MoU is terminated by either party.

The MoU was renewed and formalized in a Communications and Engagement Agreement on December 15, 2010 and this agreement was later extended on May 1, 2012. This agreement will be effective until such time as an Accommodation Agreement can be entered into between the parties. Either party may terminate the agreement by providing ninety days' notice in writing.

The deferred acquisition costs of the Poplar property include the following:

Year	Cash Payment $	Shares issued in payment #	Shares issued in payment $	Property	Land Tenure & Other Fees $	Written down against operations $	Total $
2004	37,777	50,000	17,500	Poplar 1	5,923	-	76,200
2005	30,000	464,286	163,500	Poplar 1	6,654	(200,923)	75,431
2006	115,000	100,000	24,000	Poplar 1	-	(24,000)	190,431
2007	115,000	190,000	102,600	Poplar 1	4,077	-	412,108
2008	75,000	-	-	Poplar 1	14,871	-	501,979
2009	75,000	-	-	Poplar 1	-	-	576,979
2009	-	10,000	9,500	Poplar 2	-	-	586,479
2009	-	2,500	2,000	Poplar 3	-	-	588,479
2009	-	-	-	Poplar 1-3	72,735	-	661,214
2010	75,000	-	-	Poplar 1	-	-	736,214
2010	-	20,000	11,200	Poplar 2	-	-	747,414
2010	-	5,000	2,800	Poplar 3	-	-	750,214
2010	-	-	-	Poplar 1-3	36,991	-	787,205
2011	-	30,000	24,000	Poplar 2	-	-	811,205
2011	-	7,500	5,625	Poplar 3	-	-	816,830
2011	200,000	-	-	Poplar 1	-	-	1,016,830
2011	-	-	-	Poplar 4	19,656	-	1,036,486
2012	150,000	-	-	Poplar 1	-	-	1,186,486
2012	-	40,000	24,000	Poplar 2	-	-	1,210,486

2012	-	15,000	7,350	Poplar 3	-	-	1,217,836
2012	-	-	-	Poplar 1-4	43,856	-	1,261,692
2013	-	-	-	Poplar 1-4	25,053	-	1,286,745

On October 16, 2012, the Company entered into a binding Letter of Intent (the "LOI") with Canadian Dehua International Mines Group Inc. ("Dehua"), whereby the Company would grant Dehua an option to acquire a one hundred percent (100%) interest in the Poplar Project in exchange for Non-refundable cash payment of $15,000,000, including $1,000,000 received on signing, and exploration work to be completed by Dehua over a two year period. A consultant fee of $58,000 was paid with respect to this LOI.

On October 24, 2013 the Company announced that it had formally ended its agreement with Dehua and is currently determining other options in order to further advance the Poplar project.

Hudson Bay Mountain mineral property

In May 2005, the Company acquired a 100% interest in certain mineral claims known as the Hudson Bay Mountain mineral property interest. On July 29, 2010, the Company entered into a second purchase agreement to acquire additional claims, known as the Mason claims, surrounding its existing mineral property interest on Hudson Bay Mountain. On December 17, 2012, the Company released the Hudson Bay Mountain property and accordingly the total carrying cost of the property of $1,175,575 was recorded as a loss from operations during the 2012 fiscal year.

Copperline mineral property

On July 17, 2010 the Company entered into a purchase agreement to acquire a 60% interest in the Copperline mineral property in British Columbia and, in exchange issued 2,700,000 common shares and undertook to assume all of the vendor's rights and obligations with respect to the property. The Copperline property surrounds Skutsil Knob at the south end of the Driftwood Range, 25 km northwest of Takla Lake, and approximately 120 km northeast of Smithers, B.C.

The Copperline property is subject to an underlying NSR of 1.25% for part of the property and 2.0% for the remainder. The Company can repurchase 1.25% and .5% respectively of these royalties with a $500,000 cash payment.

The Company's interest in this property is carried at a nominal value based on Management's assessment of current recoverable value. The Company continues to ensure that all mineral claims are current and remain in good standing with such costs being charged to operations in the period incurred.

ROK-Coyote mineral property

On January 5, 2011, the Company entered into an Option Agreement with Firesteel Resources Inc. to acquire a 75% interest in the ROK-Coyote mineral property. On January 2, 2013, the Company returned the ROK-Coyote property to Firesteel and accordingly the total carrying cost of the property of $306,012 was recorded as a loss from operations during the 2012 fiscal year.

Whitford Lake mineral property

Pursuant to the terms of an Option Agreement dated February 18, 2013, and amended on August 26, 2013, with St. Jacques Mineral Corp., the Company has agreed to acquire an undivided 100% interest in the Whitford Lake Property located in the Athabasca Basin in Saskatchewan in exchange for the following:

Non-refundable cash payments required:

1) $25,000 due February 18, 2013 (paid)
2) An additional $75,000 due within five days of receipt of regulatory approval (“approval date”) (paid)
3) An additional $200,000 due by September 3, 2013 (paid)
4) An additional $100,000 due by December 31, 2013
5) An additional $750,000 due by February 18, 2017

Share issuances required:

1) 2,500,000 common shares to be issued within five days of the approval date (issued). 1,000,000 of these shares are held in escrow to be released in equal 500,000 increments on March 22, 2014 and September 22, 2014.

Exploration expenditures required:

1) $3,000,000 of qualifying exploration expenditures to be incurred on the property before February 18, 2017 or the equivalent amount to be paid to the Vendor in cash.

This property is subject to a 1% NSR one half of which can be purchased by the Company for $750,000 less any NSR amounts previously paid.

On September 16, 2013 the Company sold its shares in its newly incorporated wholly owned subsidiary company, Canadian Uranium Corp. (“CanU”), to a non related individual for $1. The Company then entered into a Whitford Lake Option Assignment Agreement with CanU whereby it would transfer its 100% interest in the Whitford Lake Option Agreement to CanU in exchange for the following:

Non-refundable cash payments required:

1) $300,000 due on the earlier of the date which is 5 days following CanU completing any equity offering generating gross proceeds in excess of $600,000 and December 31, 2013 ($25,000 received); and

2) $220,000 due on the earlier of the date which is 5 days following CanU completing a second equity offering generating gross proceeds in excess of $600,000 and March 31, 2014

Share issuances required:

1) 4,500,000 common shares of CanU (shares issued and received)

Additionally CanU would assume all of the Company's obligations, liabilities and responsibilities required under the original Whitford Lake option agreement and the additional addendum dated August 26, 2013 including the cash payment of $100,000 required on or before December 31, 2013.

10. Related Party Transactions

Related party transactions for the three and nine months ended September 30, 2013 and 2012 are as follows:

	Three months ended		Nine months ended	
	September 30, 2013	September 30, 2012	**September 30, 2013**	September 30, 2012
Accounting – fees or salary paid	**2,800**	22,000	**11,700**	55,000
Administrative	**-**	29,446	**-**	146,127
Consulting	**-**	74,551	**-**	213,751
Director fees	**-**	4,250	**3,000**	16,250
Salaries - Management fees	**33,000**	45,000	**106,500**	135,000
Total	**35,800**	175,247	**121,200**	566,128

Key management of the Company includes the President, CFO and the Directors. For the three and nine months ended September 30, 2013, compensation in respect of services provided by key management consists of management fees paid to the President and accounting fees paid to a Company in which the CFO is an associate. The payment of Director fees ceased effective March 31, 2013.

Related party transactions incurred in the prior year comparative periods are comprised of management fees paid to the President, director fees paid to current and former directors and fees for other services paid to the former CEO, CFO, directors and VP's of Exploration and Operations, or companies controlled or significantly influenced by these individuals. Included in share-based compensation are $81,851 attributed to options issued to related parties during the nine months ended September 30, 2012. There was no other compensation paid or payable to key management for employee services. Administrative expenses included cost sharing arrangements related to office administration personnel, rent, telephone and other office expenses.

The amounts due to related parties were measured by the value of the services provided, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are non-interest bearing and payable on demand and are comprised of $3,000 (December 31, 2012: $Nil) of director fees payable and $2,389 (December 31, 2012: Nil) payable for accounting services to a company of which the CFO is an associate.

11. Share Capital

(a) Common Shares

i) Authorized - unlimited number of common shares without par value

ii) Issued and outstanding – 28,147,826 (December 31, 2012: 25,647,826) common shares

Pursuant to the Whitford Lake Property Option Agreement the Company issued 2,500,000 common shares on March 22, 2013. As at September 30, 2013, 1,000,000 of these shares are subject to escrow provisions with 500,000 shares to be released from escrow on each of March 22, 2014 and September 22, 2014.

(b) Flow-through Obligation

Flow through share arrangements involve resource expenditure deductions for income tax purposes which are renounced to purchasers of common shares in accordance with income tax legislation. Each flow through share entitles the holder to a 100% tax deduction in respect of qualifying Canadian Exploration Expenses ("CEE") as defined. The Company is required to incur a total of $459,000 of eligible CEE by December 31, 2013 with respect to the flow through shares issued for the period ended December 31, 2012. As at September 30, 2013, the Company had fulfilled this requirement.

(c) Share Purchase Warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance December 31, 2011	9,769,769	.90
Issued	1,000,000	.80
Expired	(5,269,019)	.41
Balance December 31, 2012	5,500,750	1.19
Expired	(4,344,500)	1.28
Balance as at September 30, 2013	1,156,250	.83

As at September 30, 2013 the Company had outstanding warrants as follows:

Number of Warrants	Exercise Price	Expiry Date
1,000,000	.80	October 22, 2013
156,250	1.00	July 13, 2015
1,156,250		

On October 22, 2013, 1,000,000 warrants expired unexercised. On November 11, 2013 the remaining 156,250 warrants were consolidated on a 4 for 1 basis into 39,062 post-consolidated warrants convertible at $4.00 per share.

(d) Stock options

The following is a summary of changes in stock options:

	Number of Options	Weighted Average Price $	Weighted Average Remaining Contractual Life
Balance, December 31, 2011	1,854,000	.87	
Granted	585,000	.74	
Cancelled	(828,000)	.86	
Balance December 31, 2012	1,611,000	.83	
Cancelled	(491,000)	.83	
Balance, September 30, 2013	1,120,000	.83	2.29 years

Details of stock options outstanding as at September 30, 2013 are as follows:

Number of Options	Exercise Price $	Expiry Date	Vesting Provisions
25,000	.72	April 1, 2014	Vested
25,000	1.07	September 18, 2014	Vested
150,000	1.10	January 15, 2015	Vested
639,000	.80	January 3, 2016	Vested
100,000	.90	April 11, 2016	Vested
181,000	.66	April 5, 2017	Vested
1,120,000			

Subsequent to September 30, 2013, 330,000 of these options were cancelled. The remaining 790,000 options were consolidated on a 4 for 1 basis into 197,500 post-consolidation options exercisable at proportionately adjusted post-consolidation prices per share.

12. Segmented Reporting

The Company operates in one reportable operating and geographic segment, being the exploration and evaluation of mineral properties for development in Canada.

13. Commitment

Effective January 1, 2013, the Company is committed to a two and one half year office lease. Payments pursuant to the terms of this lease together with cost sharing arrangements currently in place are expected to approximate $18,100, $18,100 and $9,050 for the 2013, 2014 and 2015 fiscal years respectively.

14. Subsequent Event

On November 11, 2013 the common shares of the Company were consolidated on the basis of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same 4 for 1 basis.