EXPLORATION SCHYAN EXPLORATION INC.

Unaudited Interim Condensed Financial Statements

For the three and six months ended
June 30, 2013 and 2012

EXPLORATION SCHYAN EXPLORATION INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Schyan Exploration Inc. / Exploration Schyan Inc. [the "Company"] are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Mitchell E Lavery"
President and Chief Executive Officer

"George Rayfield"
Treasurer

NOTICE TO READER

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed financial statements for the three and six months ended June 30, 2013 and 2012 have not been reviewed by the Company's auditors.

EXPLORATION SCHYAN EXPLORATION INC.

Interim Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 6)*	**200,729**	**205,333**
Short-term investments *(Note 7)*	**32,000**	**75,000**
Trade and other receivables *(Note 8)*	**1,377**	**24,667**
Total assets	**234,106**	**305,000**
Liabilities		
Current Liabilities		
Trade and other payables *(Note 9)*	**129,007**	**146,559**
Due to related parties *(Note 10)*	**236,988**	**227,912**
Total liabilities	**365,995**	**374,471**
Shareholders' Equity (Deficiency)		
Capital Stock *(Note 12)*	**531,694**	**531,694**
Share-based Payment Reserves *(Note 13)*	**36,262**	**36,262**
Deficit	**(699,845)**	**(637,427)**
Total shareholders' equity (deficiency)	**(131,889)**	**(69,471)**
Total liabilities and shareholder' equity	**234,106**	**305,000**

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 15)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 26, 2013:

Signed "James N. Fairbairn"
Director

Signed "George W. Rayfield"
Director

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

EXPLORATION **SCHYAN** EXPLORATION INC.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	**2013**	2012
	$	**$**	**$**	**$**
Administrative Expenses				
General and administrative	**2,411**	2,358	**4,760**	4,748
Shareholder information	**2,602**	1,217	**3,594**	4,128
Investor relations and travel	**2,184**	3,882	**4,414**	7,395
Professional fees	**4,650**	12,209	**6,650**	15,988
Exploration and evaluation expenditures *(Note 14)*	**-**	(43,697)	**-**	(43,697)
Income (loss) before the undernoted	**(11,841)**	24,031	**(19,418)**	11,438
Change in fair value of short-term investment	**(29,000)**	(12,000)	**(43,000)**	(37,000)
Net Income (loss) and comprehensive loss for the period	**(40,847)**	12,031	**(62,418)**	(25,562)
Income (loss) per share - basic and diluted	**(0.01)**	0.00	**(0.015)**	(0.01)
Weighted average number of shares outstanding – basic and diluted	**3,961,372**	3,961,372	**3,961,372**	3,961,372

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

EXPLORATION **SCHYAN** EXPLORATION INC.

Interim Condensed Statements of Changes in Equity (Deficiency)
(Unaudited)

(Expressed in Canadian Dollars)

	Capital Stock (Note 13)		Reserves			
	Number of shares	Amount	Share based payments	Warrants	Retained earnings (Deficit)	Total
Balance at December 31, 2011	3,961,372	$ 531,694	$ 36,262	$ -	$ (597,181)	$ (29,225)
Net loss for the period	-	-	-	-	(25,562)	(25,562)
Balance at June 30, 2012	3,961,372	$ 531,694	$ 36,262	$ -	$ (622,743)	$ (54,787)
Net loss for the year	-	-	-	-	(14,684)	(14,684)
Balance at December 31, 2012	**3,961,372**	**$ 531,694**	**$ 36,262**	**$ -**	**$ (637,427)**	**$ (69,471)**
Net loss for the period	**-**	**-**	**-**	**-**	**(62,418)**	**(62,418)**
Balance at June 30, 2013	**3,961,372**	**$ 531,694**	**$ 36,262**	**$ -**	**$ (699,845)**	**$ (131,889)**

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

EXPLORATION **SCHYAN** EXPLORATION INC.

Interim Condensed Statements of Cash Flows
(Unaudited)

(Expressed in Canadian Dollars)

For the Six Months Ended June 30,	**2013**	2012
	$	$
Operating activities		
Net Loss for the period	**(62,418)**	(25,562)
Adjustment to reconcile net loss to net cash used by operating activities:		
Change in fair value of short-term investment	**43,000**	37,000
	(19,418)	11,438
Net Change in non-working capital items:		
Refundable provincial exploration tax credit	**-**	(44,087)
Due to related parties	**9,076**	12,077
Trade and other receivables	**23,290**	10,083
Trade and other payables	**(17,552)**	(190)
	(4,604)	(10,679)
Investing activities		
Proceeds from provincial exploration tax credit	**-**	44,087
	-	44,087
Increase (decrease) in cash and cash equivalents	**(4,604)**	33,408
Cash and cash equivalents at beginning of period (Note 6)	**205,333**	180,372
Cash and cash equivalents at end of period (Note 6)	**200,729**	213,780

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company's registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

As at June 30, 2013, the Company had a working capital deficiency of $131,889 (December 31, 2012 - $69,471), had not yet achieved profitable operations, has accumulated losses of $699,845 (December 31, 2012 - $637,427) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position 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.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

Management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC).

These financial statements were authorized for issuance by the Board of Directors of the Company on August 26, 2013.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2012 annual audited financial statements.

The financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

Management anticipates that the above standards will be adopted in the Company's financial statements for the period beginning January 1, 2014 or later as applicable, and is currently evaluating the impact the adoption of these standards or amendments will have on the financial statements of the Company.

3. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts and retained earnings (deficit), which as at June 30, 2013 totaled ($131,889), (December 31, 2012 totaled ($69,471)). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the periods ended June 30, 2013 and 2012. The Company is not subject to externally imposed capital restrictions.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash and cash equivalents and short-term investments as FVTPL, which are measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at June 30, 2013, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The fair value of short-term investments are based on quoted market prices in active markets and are classified as level 1 financial instruments under the fair value hierarchy.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Trade and other receivables** – The Company is not exposed to significant credit risk as this amount is due from the Canadian and Quebec Provincial governments.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2013, the Company had a working capital deficiency of $131,889 (December 31, 2012 - $69,471). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (continued)

b. Price risk

The Company holds the common shares of a TSX-traded company. The Company has classified this investment as FVTPL and such common shares are subject to stock market volatility. The value of this financial instrument fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

5. SENSITIVITY ANALYSIS

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

The Company's investments are subject to fair value fluctuations. As at June 30, 2013, if the fair value of investments had decreased/increased by 25% net loss would have been approximately $8,000 (December 31, 2012 - $18,750) higher/lower. Similarly, as at June 30, 2013, reported equity would have been approximately $8,000 (December 31, 2012 - $18,750) lower/higher as a result of a 25% decrease/increase in the fair value of investments.

6. CASH AND CASH EQUIVALENTS

The balance at June 30, 2013, consists of $200,729 (December 31, 2012 - $205,333) on deposit with a major Canadian bank.

Cash and cash equivalents consists of the following:

	As at,	
	June 30, 2013	December 31, 2012
Cash	**$ 49,310**	$ 45,259
Cash equivalent	**151,419**	160,074
Total Cash and Cash Equivalents	**$ 200,729**	$ 205,333

7. SHORT-TERM INVESTMENTS

Short-term investments are comprised of 100,000 (December 31, 2012 – 100,000) common shares of Lake Shore Gold Inc., a publicly listed company. As at June 30, 2013, the short-term investment had a quoted market value approximating $32,000, (December 31, 2012 - $75,000). The impact to the financial statements of this revaluation to market value resulted in a decrease of $43,000 (December 31, 2012 –$53,000) to the value of the investments with a corresponding loss on change in fair value of short-term investment of $43,000 (December 31, 2012 – $53,000).

8. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from two main sources: trade receivables: harmonized sales tax ("HST") receivable and Quebec tax credits due from government taxation authorities. These are broken down as follows:

	As at,	
	June 30, 2013	December 31, 2012
HST receivable	**$ 1,377**	$ 3,910
Quebec Tax credits	**-**	20,757
Total Trade and Other Receivables	**$ 1,377**	$ 24,667

At June 30, 2013, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4. The Company holds no collateral for any receivable amounts outstanding as at June 30, 2013.

(Expressed in Canadian Dollars)

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	June 30, 2013	December 31, 2012
Less than 1 month	**$ 2,374**	$ 2,421
Over 3 months	**126,633**	144,138
Total Trade and Other Payables	**$ 129,007**	$ 146,559

10. DUE TO RELATED PARTIES

	June 30, 2013	December 31, 2012
Balance, beginning of period	**$ 227,912**	$ 206,051
Transactions in the period:		
Related party reimbursements payable	**9,076**	21,861
Balance, end of period	**$ 236,988**	$ 227,912

The balances due to related parties are owing to a director and officer of the Company and are unsecured, non-interest bearing and due on demand.

11. RELATED PARTY TRANSACTIONS

The remuneration of directors and members of key management personnel during the six months ended June 30, 2013 and 2012 was as follows:

	2013	2012
Aggregate compensation	$ -	$ -
Share-based payments	-	-
	$ -	$ -

12. CAPITAL STOCK

Capital Stock

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

Balance at June 30, 2013 and 2012	**3,961,372**	**$ 531,694**

(Expressed in Canadian Dollars)

12. CAPITAL STOCK (continued)

Stock Options

The Company has a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. The plan allows for the issuance of up to 367,000 stock options. As at June 30, 2013; the Company had 67,000, (December 31, 2012 – 67,000) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

	June 30, 2013		December 31, 2012	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year/period	**$ 0.10**	**300,000**	$ 0.10	300,000
Transactions during the year/period:				
Granted	**-**	**-**	-	-
Outstanding at end of year/period	**$ 0.10**	**300,000**	$ 0.10	300,000

The following table provides additional information about outstanding stock options as at June 30, 2013:

No. of Options Outstanding	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price**	**No. of Options Exercisable**	**Weighted Average Exercisable Exercise Price**	**Estimated Grant Date Fair Value**
300,000	**1.84**	**$ 0.10**	**300,000**	**$ 0.10**	**$20,012**

13. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the six months ended June 30, 2013 and the year ended December 31, 2012 is set out below:

	June 30, 2013	December 31, 2012
Balance at beginning of year/period	**$ 36,262**	$ 36,262
Transactions during the year/period:		
Warrants expired	**-**	-
Balance at end of year/period	**$ 36,262**	$ 36,262

14. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	Six months ended June 30,		**Cumulative to date***
	2013	2012	
Casino Property	**$ -**	$ -	**$ 255,903**
Exploration and evaluation costs	**$ -**	$ -	**$ 255,903**

* Only properties currently under exploration are included in this figure.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Casino Property

Pursuant to a purchase agreement dated August 29, 2008, the Company acquired 22 mining claims located in the Township of Cadillac, county of Abitibi, in the Province of Quebec. The purchase price of $100,000 was settled by the issuance of 1,000,000 common shares of the Company at a price of $0.10 per share. The property was acquired from a director and officer of the Company.

In September 2008, the Company entered into an Option Agreement with The Globex-Queenston Joint Venture ("Globex-Queenston") whereas the Company granted Globex-Queenston the right and option to acquire a 50% interest in the Casino Claims. Under the terms of the agreement, Globex-Queenston was required to spend $500,000 in exploration expenditures on or before September 2, 2010.

In March 2009, Globex-Queenston decided not to complete the Option Agreement. As per the terms outlined in the Option Agreement, Schyan will reimburse Globex-Queenston a total of $13,000 spent in exploration expenditures which has been accrued as at June 30, 2013 and 2012.

In June 2012, the Company received proceeds from a Quebec provincial exploration tax credit in the amount of $44,087. In March 2013 the Company received an additional $20,757 in Quebec provincial exploration tax credits. (Note 8).

15. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

16. SUBSEQUENT EVENT

At August 26, 2013, management has evaluated that there were no additional subsequent events occurring after June 30, 2013 that required disclosure in these financial statements.