FINORE MINING INC.

(An Exploration Stage Enterprise)

Condensed Interim Financial Statements

Three Months Ended October 31, 2013

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

FINORE MINING INC.

Condensed Interim Financial Statements
Three Months Ended October 31, 2013

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Finore Mining Inc. (the "Company") for the three months ended October 31, 2013 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim financial statements by an entity's auditor.

FINORE MINING INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
As at

	Note	**October 31, 2013 $**	July 31, 2013 $ (Audited)
ASSETS			
Current			
Cash and cash equivalents		**261,625**	341,298
Short-term investment		**11,535**	11,503
Other receivables		**5,703**	6,694
Prepaid expenses		**6,561**	11,643
Total Current Assets		**285,424**	371,138
Exploration and evaluation assets	3	**10,731,535**	10,683,532
TOTAL ASSETS		**11,016,959**	11,054,670
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		**127,851**	188,769
Total Current Liabilities		**127,851**	188,769
Shareholders' Equity			
Share capital	4	**16,656,886**	16,606,986
Reserves	4	**1,834,032**	1,834,032
Deficit		**(7,601,810)**	(7,575,117)
Total Shareholders' Equity		**10,889,108**	10,865,901
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,016,959**	11,054,670

Nature of Operations and continuance of operations	1
Subsequent Events	10

"Peter Tegart", Director
Peter Tegart

"Mohan Vulimiri", Director
Mohan Vulimiri

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

FINORE MINING INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIODS ENDED OCTOBER 31,

	Note	**2013**	2012
		$	$
EXPENSES			
Advertising and promotion		**-**	3,760
Consulting fees		**16,972**	10,864
Insurance		**1,360**	2,600
Office and general		**80**	286
Professional fees		**-**	2,923
Transfer agent and filing fees		**7,778**	8,024
Operating Loss		**(26,190)**	**(28,457)**
Interest income		**32**	27
Foreign exchange gain (loss)		**(535)**	(76,853)
Net loss and comprehensive loss for the period		**(26,693)**	**(105,283)**
Basic and diluted loss per share		**(0.00)**	**(0.01)**
Weighted average number of common shares outstanding – Basic and diluted		**153,559,794**	**56,258,696**

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

FINORE MINING INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)

	Common Shares		Reserves				
	Number of Shares	Amount $	Option Reserve $	Warrant Reserve $	Other Reserve $	Deficit $	Total Shareholders' Equity $
Balance – July 31, 2012	**40,007,983**	**11,182,216**	**1,511,157**	**322,875**	**6,149**	**(7,500,883)**	**5,521,514**
Issuance pursuant to mineral property option agreement	27,000,000	3,240,000	-	-	-	-	**3,240,000**
Debt forgiveness	-	-	-	-	112,718	-	**112,718**
Net loss and comprehensive loss for the period	-	-	-	-	-	(105,283)	**(105,283)**
Balance – October 31, 2012	**67,007,983**	**14,422,216**	**1,511,157**	**322,875**	**118,867**	**(7,606,166)**	**8,768,949**
Issuance pursuant to mineral property amended option agreement	68,000,000	4,265,000	-	-	-	-	4,265,000
Share issuance cost	-	(17,730)	-	-	-	-	(17,730)
Debt forgiveness	-	-	-	-	(112,718)	-	(112,718)
Transfer of other reserve to deficit	-	-	-	-	(6,149)	-	(6,149)
Non-brokered private placement	44,383,333	1,177,500	-	-	-	-	1,177,500
Income and comprehensive loss for the period	-	-	-	-	-	31,049	31,049
Balance – July 31, 2013	**152,391,316**	**16,606,986**	**1,511,157**	**322,875**	**-**	**(7,575,117)**	**10,865,901**
Net loss and comprehensive loss for the period	-	-	-	-	-	(26,693)	**(26,694)**
Shares issued for debt settlement, net	2,500,000	49,900	-	-	-	-	**49,900**
Balance – October 31, 2013	**154,891,316**	**16,656,886**	**1,511,157**	**322,875**	**-**	**(7,601,810)**	**10,865,901**

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

FINORE MINING INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED OCTOBER 31,

	2013	2012
	$	$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net loss for the period	**(26,693)**	(105,282)
Adjustment for items not involving cash:		
Foreign exchange loss	**536**	76,853
Changes in non-cash operating working capital:		
Decrease in other receivables	**992**	17,009
Decrease in prepaid expenses	**5,082**	13,972
Increase (Decrease) in accounts payable and accrued liabilities	**(79,986)**	85,605
Net cash flows (used in) operating activities	**(100,069)**	**88,156**
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Short-term investment	**(32)**	3
Exploration and evaluation assets	**(29,471)**	(163,611)
Net cash flows (used in investing activities	**(29,503)**	**(163,608)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share capital, net of share issuance costs	**49,900**	-
Net cash flows from financing activities	**49,900**	**-**
Decrease in cash and cash equivalents	**(79,672)**	**(75,452)**
Cash and cash equivalents, beginning of the period	**341,298**	**222,687**
Cash and cash equivalents, end of the period	**261,626**	**147,235**

Supplemental cash flow information (Note 5)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Finore Mining Inc. (the "Company") was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of exploration and evaluation assets. On September 26, 2011, the Company changed its name from Otterburn Ventures Inc. to Finore Mining Inc. and the Company's common shares began trading on Canadian National Stock Exchange ("CNSX") under the new symbol of "FIN." On April 9, 2012, the Company's shares have commenced trading in the United States on the OTC market's prestigious tier, OTCQX International under the symbol of "FNREF".

The head office, principal address and registered officer of the Company are located at Suite 1980, 1075 West Georgia Street, Vancouver, B.C., V6E 3C9.

The Company is in the process of exploring its exploration and evaluation assets interests and has not yet determined whether its exploration and evaluation assets interests contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets interests, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The Company has a working capital deficiency as at October 31, 2013 of $157,573 (working capital as at October 31, 2012 of $477,355) and an accumulated deficit of $7,601,810 (October 31, 2012 - $7,606,166). These condensed interim financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim financial statements, including comparative figures, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements. These condensed unaudited interim financial statements should be read in conjunction with the Company's 2013 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Statement of compliance (Cont'd)

The accounting policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of December 30, 2013, the date the Board of Directors approved these statements.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of each reporting period.

Foreign Currencies

The Company's reporting and functional currency is the Canadian dollar as no single currency was clearly dominant. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash. The cash and cash equivalents are denominated in Canadian dollars. There were no cash equivalents as at October 31, 2013 and October 31, 2012.

Short-Term Investment

Short-term investment, which is fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, is recorded at fair value. The Company has deposited $11,500 of principal, accruing $35 of interest, as a security deposit for the corporate credit card for the years presented.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to profit or loss at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Decommissioning and restoration liability

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company did not have any significant decommissioning and restoration obligations at October 31, 2013.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes to the financial statements unless their occurrence is remote. Contingent assets are not recognised in the financial statements, but are disclosed in the notes to the financial statements if their recovery is deemed probable.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

From time to time in connection with private placements, the Company issues warrants to agents ("Agent Warrants") as commission for services. Awards of Agent Warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants are issued. Any consideration received upon exercise of Agent Warrants is credited to share capital. The application of the fair value based method requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the Agent Warrants.

Comprehensive loss

Comprehensive loss is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale. The Company does not have any items representing comprehensive income or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Earnings/ (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) attributable to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value through profit or loss are measured at amortized cost using the effective interest rate method.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as FVTPL.
b) Short-term investments have been classified as FVTPL
c) Receivables have been classified as loans and receivables.
d) Accounts payable and accrued liabilities have been classified as other financial liabilities.

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

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, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of financial assets (Cont'd)

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of receivables;
- whether or not an impairment has occurred in its exploration and evaluation assets; and
- the inputs used in the accounting for share-based payments expense.

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

- the accounting policies for exploration and evaluation assets;
- classification of financial instruments; and
- determination of functional currency.

Accounting Standards Issued But Not Yet Effective

The following new accounting standards have been issued, but are not yet effective and have not yet been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. The Company is currently evaluating the effects of adopting these standards:

(i) Effective for annual periods beginning on or after January 1, 2014

- Amendments to IAS 32, Financial Instruments: Presentation

  IAS 32 clarifies the application of the offsetting rules and requires additional disclosure on financial instruments subject to netting arrangements.

(ii) Effective for annual periods beginning on or after January 1, 2015

- IFRS 9 Financial Instruments

  IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounting Standards Issued But Not Yet Effective

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

3. EXPLORATION AND EVALUATION ASSETS

Läntinen Koillismaa Mineral Claims, North-eastern Finland

Ending Balance July 31, 2012	**$**	**5,895,343**
Acquisition Costs		3,240,000
Exploration Costs		
Consulting - administrative and general		1,545
Office and general		9,801
Project administration		4,854
Surveying		77,369
Travel		17,392
Ending Balance October 31, 2012	**$**	**9,246,304**
Acquisition Costs		1,025,000
Exploration Costs		
Assay sampling		43,761
Consulting - geological		5,401
Consulting - administrative and general		51,734
Office and general		120,587
Project administration		17,852
Reports		56,560
Surveying		97,198
Travel		19,135
Ending Balance July 31, 2013	**$**	**10,683,532**
Exploration Costs		
Assay sampling		4,350
Consulting - geological		2,795
Consulting - administrative and general		43,187
Office and general		(16,629)
Project administration		1,981
Reports		12,066
Surveying		253
Ending Balance October 31, 2013	**$**	**10,731,535**

3. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Läntinen Koillismaa Mineral Claims, North-eastern Finland (Cont'd)

On July 21, 2011, the Company entered into a binding letter of intent with Nortec Mineral Corp. ("Nortec"), whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest the Läntinen Koillismaa Project. The binding letter of intent was replaced and superseded by the option agreement with Nortec (the "Nortec Option Agreement") dated August 24, 2011. The effective date of the Nortec Option Agreement is September 6, 2011 (the "Effective Date"), which is the date the CNSX accepted the filing of the option agreement.

On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec has granted the Company the right to acquire 70% interest in the Läntinen Koillismaa Project by: a) issuing additional 27,000,000 shares of the Company; b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment; and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of director. As the result, the remaining outstanding option obligations under the Nortec Option Agreement were not fulfilled. On September 11, 2012, the Company issued 27,000,000 common shares at a price of $0.12 to Nortec. On September 7, 2011, the Company issued 1,850,000 common shares at $0.45 per share for a total of $832,500 as finder fees in connection with the option.

On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Läntinen Koillismaa Project for, among other things, 41,000,000 shares of the Company. On February 19, 2013, the Company issued 41,000,000 shares at $0.025 per share to Nortec.

Furthermore, if the Company completes all of its obligations in the Second Amendment Agreement, and issues an additional 917,707 Shares to Nortec, the Company will be deemed to have exercised the option to acquire 100% interest in the Läntinen Koillismaa Project through acquiring Nortec's wholly owned Finnish subsidiary, Nortec Minerals Oy. Nortec Minerals Oy controls 100% interest in the Läntinen Koillismaa Project.

4. SHARE CAPITAL AND RESERVES

a) **Authorized**: Unlimited common shares without par value**.**

b) **Issued and Outstanding:** At October 31, 2013, there were 154,891,316 common shares issued and outstanding (October 31, 2012 – 67,007,983).

Details of common shares are as follows:

i. On April 19, 2012, the Company issued 1,566,800 common shares at a price of $0.255 for a total of $399,534 pursuant to the Nortec Option Agreement.

ii. On September 11, 2012, the Company issued 27,000,000 common shares at a price of $0.12 for a total of $3,240,000 pursuant to the Nortec Option Amendment.

iii. On February 19, 2013, the Company closed a non-brokered private placement. The private placement consisted of issuance of 30,800,000 common shares of the Company at a price of $0.025 per share, for gross proceeds of $770,000.

iv. On February 19, 2013, the Company issued 41,000,000 common shares at a price of $0.025 for a total of $1,025,000 to Nortec pursuant to the Second Amendment Agreement.

4. SHARE CAPITAL AND RESERVES (Cont'd)

b) Issued and Outstanding: (Cont'd)

Details of common shares are as follows: (Cont'd)

v. On March 28, 2013, the Company closed a non-brokered private placement. The private placement consisted of issuance of 13,583,333 common shares of the Company at a price of $0.03 per share, for gross proceeds of $407,500.

vi. On September 18, 2013, the Company entered into a debt settlement agreement with Baron. The Company issued 2,500,000 common shares at $0.02 per share on September 27, 2013 to Baron which equals to the aggregate value of debt of $50,000 (Note 8).

c) Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	October 31, 2013		October 31, 2012	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Warrants outstanding, beginning of the period	-	$ -	8,503,551	$ 0.64
Expired	-	$ -	-	-
Warrants outstanding, end of period	-	$ -	8,503,551	$ 0.64

d) Stock Options

The Company has a stock option plan (the "Stock Option Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

The continuity of stock options for the periods ended October 31, 2013 and 2012 is as follows:

	October 31, 2013		October 31, 2012	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding, beginning of period	1,750,000	$ 0.46	2,650,000	$ 0.46
Granted	-	-		$ 0.46
Expired	-	-		$ 0.46
Options outstanding and exercisable, end of the period	1,750,000	$ 0.46	2,650,000	$ 0.46

4. SHARE CAPITAL AND RESERVES (Cont'd)

d) Stock Options (Cont'd)

The options outstanding and exercisable at October 31, 2013 are as follows:

Range of Exercise Prices	**Outstanding and Exercisable Options**		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$0.46	1,050,000	$0.46	2.53
$0.46	100,000	$0.46	2.54
$0.46	450,000	$0.46	2.93
$0.45	150,000	$0.45	0.26
	1,750,000	$0.46	2.44

During the year ended July 31, 2013, the weighted average fair value of the share options awarded, estimated using the Black-Scholes option pricing model, was $Nil (2012 - $0.312) per option, with a total fair value of $Nil (2012 - $46,800). The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following weighted average assumptions:

	2013	**2012**
Risk-free interest rate	-	0.99% - 1.31%
Dividend yield	-	-
Expected volatility	-	123% - 177%
Expected option life	-	2 - 5 years
Forfeitures	-	-

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. The Company uses expected volatility rate which was based upon historical volatility rates of comparative companies in the same industry.

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

5. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing includes:

	October 31, 2013	October 31, 2012
Shares issued for exploration and evaluation assets	$ -	$ 3,240,000
Exploration and evaluation assets in accounts payable	20,542	476,561
Debt settlement	49,900	-

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at October 31, 2013, the Company's shareholders' equity was $10,889,108 (July 31, 2013 - $10,865,901). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

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 three month period ended October 31, 2013. The Company is not subject to externally imposed capital requirements.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

At October 31, 2013, the Company's financial instruments consist of cash, short-term investments and accounts payable and accrued liabilities. The fair values of cash, short-term investments and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The Company classifies its cash and cash equivalents and short-term investments as FVTPL and accounts payable and accrued liabilities as other financial liabilities.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2013 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, Oct 31, 2013	Balance, Oct 31, 2012
	$	$	$	$	$
Cash and cash equivalents	261,625	–	–	261,625	147,235
Short-term investment	11,535	–	–	11,535	11,500

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest risk, liquidity risk, and foreign exchange rate risk.

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

(c) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euro, Pounds Sterling, and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollars, the US dollar, European Euro and Pounds Sterling. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(c) Foreign Exchange Rate Risk (Cont'd)

At October 31, 2013 and October 31, 2012, the Company's US dollars, Pounds Sterling, and European Euro. denominated monetary assets and monetary liabilities are as follows:

	October 31, 2013		October 31, 2012	
Monetary Liabilities				
Account payables and accrued liabilities	USD $	4,000	USD $	10,000
	GBP £	6,995	GBP £	452
	Euro €	46,920	Euro €	432,183

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash and cash equivalents that might be raised from equity financings.

8. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Three Months Ended October 31,	
		2013	**2012**
Baron Global Financial Canada Ltd.	a	15,000	$ 19,658
Geolaurian Consultants Limited	b	-	$721
Debt settlement	c	50,000	-

a) Baron Global Financial Canada Ltd. ("Baron") is related by way of a director, who is also the Chairman of Baron.

b) Geolaurian Consultants Limited is owned by the former CEO and former director of the Company.

c) On September 27, 2013, the Company issued 2,500,000 common shares at $0.02 per share to Baron pursuant to a debt settlement agreement entered on September 18, 2013. The value equals to the aggregate value of debt of $50,000.

8. RELATED PARTY TRANSACTIONS (Cont'd)

Related Party Payables:

	October 31, 2013	**October 31, 2012**
Baron	-	$ 19,658
Geolaurian Consultants Limited	-	$ 721

Any transactions with other related parties in the normal course of operations are measured at the fair value amount of consideration established and agreed to by the related parties.

9. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information of the Company's capital assets comprising exploration and evaluation assets and equipment is as follows:

		October 31, 2013		**October 31, 2012**
Exploration and evaluation assets				
Finland	$	10,731,535	$	9,246,304
	$	10,731,535	$	9,246,304

10. SUBSEQUENT EVENTS

On December 3, 2013, Denise Lok resigned as CFO and Simon Ma was appointed as CFO of the Company.