Unaudited Interim

Consolidated Financial Statements

As at and for the three and six months ended

December 31, 2013 and 2012

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements as at and for the three and six months ended December 31, 2013 and 2012 have not been reviewed by the Company's auditors.

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MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Caracara Silver Inc. (“Caracara or the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim consolidated financial statements (the “Financial Statements”) have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim consolidated 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 unaudited interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated 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 consolidated 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 consolidated 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.

“Nick Tintor”
President and Chief Executive Officer

February 26, 2014

“Stephen Gledhill”
Chief Financial Officer

February 26, 2014

Caracara Silver Inc.
Unaudited Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	**December 31, 2013**	June 30, 2013
	$	$
Assets		
Current assets		
Cash and cash equivalents *(note 7)*	**978,736**	1,278,565
Accounts receivable	**38,487**	31,091
Total current assets	**1,017,223**	1,309,656
Total assets	**1,017,223**	1,309,656
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(note 8)*	**204,401**	78,059
Total current liabilities	**204,401**	78,059
Total liabilities	**204,401**	78,059
Equity		
Share capital *(note 10)*	**7,413,722**	7,413,722
Reserve for share-based payments *(note 10)*	**1,283,568**	1,283,568
Deficit	**(7,884,468)**	(7,465,693)
Total equity	**812,822**	1,231,597
Total liabilities and equity	**1,017,223**	1,309,656

Approved by the Board on February 26, 2014:

“Robert Boaz”

Director

“*Stephen Coates”*

Director

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

Caracara Silver Inc.
Unaudited Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars except weighted-average share information)

	Three months ended		Six months ended	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
	$	$	**$**	$
Exploration and evaluation expenditures *(note 11)*	**11,854**	508,958	**4,534**	998,654
Administrative expenses				
Consulting and professional fees	**10,287**	24,321	**23,749**	32,780
General and administrative	**53,850**	76,168	**128,384**	144,015
Investor relations	**7,581**	11,911	**35,783**	22,555
Management fees and salaries *(note 9)*	**110,550**	110,550	**221,100**	221,100
Share-based compensation *(note 10)*	**-**	33,362	**-**	123,477
Shareholder and public company expenses	**7,048**	3,808	**8,201**	4,692
Total administrative expenses	**189,316**	260,120	**417,217**	548,619
Total operating expenses	**201,170**	769,078	**421,751**	1,547,273
Net loss before other items	**(201,170)**	(769,078)	**(421,751)**	(1,547,273)
Other items				
Foreign exchange loss	**1,996**	2,641	**(639)**	(4,209)
Interest and other income (net)	**1,438**	3,821	**19,078**	10,427
Net loss and comprehensive loss	**(197,736)**	(762,616)	**(418,775)**	(1,541,055)
Basic and fully diluted loss per share	**(0.00)**	(0.01)	**(0.01)**	(0.03)
Weighted average number of common shares outstanding	**51,895,835**	51,662,763	**51,895,835**	51,291,966

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

Caracara Silver Inc.
Unaudited Interim Consolidated Statements of Changes in Equity
Periods ended December 31, 2013 and 2012
(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Reserve for Share-based payments	Warrants	Deficit	Total
		$	$	$	$	$
Balance, June 30, 2012	**50,921,168**	**7,340,622**	**1,121,239**	**1,637,888**	**(7,323,678)**	**2,776,071**
Issued for property payments	974,667	73,100	-	-	-	73,100
Share-based compensation	-	-	123,477	-	-	123,477
Net loss	-	-	-	-	(1,541,055)	(1,541,055)
Balance, December 31, 2012	**51,895,835**	**7,413,722**	**1,244,716**	**1,637,888**	**(8,864,733)**	**1,431,593**
Share-based compensation	-	-	38,852	-	-	38,852
Fair value of expired warrants	-	-	-	(1,637,888)	1,637,888	-
Net loss	-	-	-	-	(238,848)	(238,848)
Balance, June 30, 2013	**51,895,835**	**7,413,722**	**1,283,568**	**-**	**(7,465,693)**	**1,231,597**
Net loss	-	-	-	-	(418,775)	(418,775)
Balance, December 31, 2013	**51,895,835**	**7,413,722**	**1,283,568**	**-**	**(7,884,468)**	**812,822**

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

Caracara Silver Inc.
Unaudited Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Six months ended	December 31, 2013	December 31, 2012
	$	$
Operating activities		
Net loss	**(418,775)**	(1,541,055)
Adjustments to reconcile net loss to cash flow from operating activities:		
Share-based compensation	**-**	123,477
Net change in non-cash working capital items:		
Accounts receivable	**(7,396)**	9,485
Accounts payable and accrued liabilities	**126,342**	(54,429)
Cash used in operating activities	**(299,829)**	(1,462,352)
Financing activities		
Issuance of common shares net of issuance costs	**-**	73,100
Cash provided from financing activities	**-**	73,100
Increase (decrease) in cash and cash equivalents at end of period	**(299,829)**	(1,389,252)
Cash and cash equivalents at beginning of year	**1,278,565**	2,929,525
Cash and cash equivalents at end of period	**978,736**	1,540,273

Supplemental cash flow information:		
Interest paid	-	-
Income taxes paid	-	-

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

1. General

Caracara Silver Inc. (the "Company" or "Caracara") (formerly Ansue Capital Corp. ("Ansue")) was incorporated under the laws of British Columbia on December 3, 2009. Ansue was a capital pool company ("CPC") as defined by the rules of the TSX Venture Exchange ("TSXV") in Policy 2.4 of the TSXV. On July 18, 2011, Ansue announced that at the Annual Meeting of the shareholders of Ansue, all matters regarding a Qualifying Transaction with Southern Andes Energy Inc. ("SAE") were approved including the proposed name change of Ansue to Caracara Silver Inc.

The principal business activity of the Company is the acquisition, exploration and development of mineral properties in Peru. The Company's main and registered office is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1.

2. Continuance of operations

The Financial Statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2013, the Company has not generated any revenues from operations and used $299,829 (2012 – $1,462,352) funds for operating activities for the six month period ended December 31, 2013. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due over the next 12 months, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. The Financial Statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Basis of preparation

3.1 Statement of compliance

The Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting'. Interim financial statements would not normally include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the years ended June 30, 2013 and 2012.

The financial statements were approved for filing by the Company's Board of Directors on February 26, 2014.

3.2 Basis of presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in *note 5*. The financial statements are presented in Canadian dollars, the Company's functional currency

Some comparative amounts have been reclassified to provide consistency with current period disclosure.

3.3 Adoption of new and revised standards and interpretations

- **IFRS 9 *Financial Instruments: Classification and Measurement*** – annual periods beginning on or after January 1, 2015, introduces new requirements for the classification and measurement of financial instruments. The Company has not early-adopted this standard but is assessing what impact the application will have on the Financial Statements.

- **IAS 32 *Financial Instruments: Presentation*** – effective for annual periods beginning on or after January 1, 2014 with earlier application permitted when applied with the corresponding amendment to IFRS 7. The IASB amended this standard to address inconsistencies identified in applying some of the offsetting criteria. The Company has not early adopted this standard but it is assessing what impact the application will have on the Financial Statements.

4. Capital management

The Company considers its capital to be equity, which is comprised of share capital, reserves and deficit, which as at December 31, 2013 totaled $812,822 (June 30, 2013 – $1,231,597). 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 development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise additional 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 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 six months ended December 31, 2013. The Company is not subject to externally imposed capital restrictions.

5. Financial instruments

Fair value

The Company has designated its cash as FVTPL, which is measured at fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also approximates fair value. Fair values of accounts receivable and accounts payable and accrued liabilities are determined from transaction values that were derived from observable market inputs. Fair values of other financial assets are based on Level 1 measurements and the remaining financial instruments are based on Level 2 measurements.

As at December 31, 2013 and 2012, 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 judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

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 statements of financial position.

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

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they become due. 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 December 31, 2013, the Company had working capital of $812,822 (June 30, 2013 – $1,231,597). The long-term continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. In addition, in order to meet its longer-term working capital requirements and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged.

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 GICs, as appropriate.

b. Currency risk

Although the Company's operations are conducted in Canadian dollars, it has entered into contracts and/or agreements that require payment in United States dollars or Peruvian nuevo sols. Management believes that foreign currency risk derived from currency conversions is negligible and, therefore, does not hedge its foreign currency risk.

(Expressed in Canadian dollars)

c. Price risk

The Company is not subject to price risk.

6. 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 funds are kept in Canadian and US dollars at a major Canadian and Peruvian financial institution. As at December 31, 2013 and 2012, the Company's exposure to foreign currency balances is as follows:

Account	Foreign Currency	Exposure ($CDN)	
		December 31, 2013	June 30, 2013
Cash and cash equivalents	US dollar	**199,365**	189,676
Accounts receivable	US dollar	**12,050**	13,232

The Company believes that a change of 10% in foreign exchange rates would cause consolidated net loss and comprehensive loss to increase/decrease by $21,100 (2013 - $20,300) for periods ended December 31, 2013 and June 30, 2013.

7. Cash and cash equivalents

The balance at December 31, 2013, consists of cash amounting to $187,246 (June 30, 2013 – $226,549) and GIC for $717,072 (June 30, 2013 - $1,013,457) on deposit with a major Canadian bank and $74,418 (June 30, 2013 - $38,559) on deposit with a major Peruvian bank.

8. Accounts payable and accrued liabilities

Accounts payable 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 for trade purchases is between 30 to 90 days.

The following is an aged analysis of the accounts payable and accrued liabilities:

	As at,	
	December 31, 2013	June 30, 2013
	$	$
1 – 30 days	**166,068**	21,313
30 – 60 days	**-**	888
61 – 90 days	**-**	-
> 90 days	**18,333**	15,358
Total accounts payable	**184,401**	37,559

(Expressed in Canadian dollars)

Accrued liabilities	**20,000**	40,500
Total	**204,401**	78,059

9. Related party transactions

The Financial Statements include transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. Share-based compensation expenses were recorded at fair value estimated using the Black-Scholes valuation model *(note 10).* The Company incurred the following fees and expenses in the normal course of operations in connection with officers and/or directors, or companies controlled by them, as follows:

	Three months ended 31-Dec-13	Three months ended 31-Dec-12	**Six months ended 31-Dec-13**	Six months ended 31-Dec-12
	$	$	**$**	$
Management fees	**110,550**	110,550	**221,100**	221,100
Share-based compensation	**-**	26,364	**-**	87,513

10. Share capital

(i) Authorized share capital consists of an unlimited number of common shares.

(ii) Issued and outstanding share capital:

The number of shares outstanding represents the legal number of outstanding shares of the Company, but the book value associated with them for accounting purposes is based upon Caracara's share capital account as at August 19, 2011, the date of a merger that affected a reverse takeover transaction plus the Company's share activity since that date. The dollar amount of the legal stated capital of the Company's therefore differs from the amounts reflected in the consolidated statements of changes in equity.

<u>Shares issued for property payment</u>

The Company issued 974,667 (2012 - 1,892,000) common shares during the year ended June 30, 2013, in consideration of a property payment pursuant to the amended purchase agreement with Cybersonic *(note 11)*. The Company did not issue any common shares during the six months ended December 31, 2013.

Warrants

A summary of warrant activity for the three and six months ended December 31, 2013 and 2012, is as follows:

(Expressed in Canadian dollars)

	No. of warrants	Weighted average exercise price
		$
Balance, June 30, 2012 and December 31, 2012	7,975,800	0.58
Expired	(7,975,800)	0.58
Balance, June 30, 2013 and December 31, 2013	**-**	**-**

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the fair value of the warrant issued in fiscal 2013:

	December 31, 2012
Weighted average information	
Risk-free interest rate	2.7%
Expected life	2.0 years
Expected volatility	171%
Expected dividends	-
Share price on issuance of warrants	\$0.58
Fair value of warrants	\$0.24

Options

Caracara 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 10% of the issued and outstanding common shares. As at December 31, 2013, the Company had 2,256,250 (December 31, 2012 – 2,256,250) options available for issuance.

A summary of option activity for the six months ended December 31, 2013 and 2012 is as follows:

	No. of Options	Weighted average exercise price ($)
Balance at June 30, 2012, and June 30 2013	2,933,333	0.49
Balance at December 31, 2013	2,933,333	0.49

The following table provides additional information about outstanding stock options at December 31, 2013:

(Expressed in Canadian dollars)

December 31, 2013		
No. of Options Outstanding	**Remaining Life (Years)**	**Weighted Average Exercise Price ($)**
133,333	1.4	0.30
2,800,000	2.7	0.50
2,933,333	**2.7**	**0.49**

Share-based compensation

There was no share-based compensation recorded during the three and six months ended December 31, 2013 (share-based compensation that had vested during the three and six months ended December 31, 2012 totaled $33,362 and $123,477 respectively), with such amounts expensed in the consolidated statements of operations. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% (December 31, 2012 - 0%) in determining the expense recorded in the accompanying statements of operations.

11. Exploration and evaluation expenditures

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

	Three months ended December 31, 2013	Three months ended December 31, 2012	**Six months ended December 31, 2013**	Six months ended December 31, 2012	Cumulative to December 31, 2013
	$	$	**$**	$	$
Acquisition costs	**-**	356,560	**-**	356,560	1,963,104
Exploration costs:					
Drilling	**-**	28,336	**-**	219,603	426,185
Environmental and community relations	**-**	15,995	**-**	17,404	233,416
Assaying and sampling	**144**	19,710	**144**	38,147	111,809
Field and camp supplies	**-**	54,687	**-**	131,977	567,215
Consulting and professional fees	**400**	14,821	**1,400**	37,113	585,089
General exploration expenditures	**11,310**	18,849	**18,453**	197,850	1,632,213
	11,854	152,398	**19,997**	642,094	3,555,927
Recovery from option agreement (see below)	**-**	-	**(15,463)**	-	(258,967)
Total exploration and evaluation expenditures	**11,854**	508,958	**4,534**	998,654	5,260,063

Mineral projects

Caracara controls 30 (2012 – 30) mineral claims along the Princesa-Pilunani mineralized trend located southeast of Lima, the capital of Peru or north of Juliaca, within the administrative department of Puno, in southern Peru. The Company holds another three (2012 – 13) claims within the administrative department of Cuzco. As of December 31, 2013, all of the 33 mineral claims were in good legal standing and were being held by Solex, a wholly-owned Peruvian subsidiary of the Company.

The Company operates four mineral exploration projects as follows:

Princesa Project: The key Princesa silver-zinc-lead project consists of eight mining concessions.

Pilunani Project: The Pilunani silver-zinc-lead project originally consisted of 18 mining concessions. During the year ended June 30, 2012, the Company did not renew the licenses of four of these claims. The Pilunani project currently consists of 14 mining concessions.

On September 27, 2010 (amended April 8, 2011), Caracara signed an agreement with Cybersonic, to acquire an extensive mineral exploration database including technical data and results from regional exploration throughout the Princesa-Pilunani trend. This database was used to map stake land proximal to the Princesa project area thereby consolidating the Princesa-Pilunani trend.

The terms of the amended agreement provide for the following:

i) Payment of US$30,000 upon execution of the letter of intent (paid by SAE, July 16, 2010);
ii) Payment of US$65,000 upon execution and closing of the Purchase Agreement (paid by SAE, September 28, 2010)
iii) Payment of US$120,000 upon the first anniversary of the closing of the Qualifying Transaction (paid October 5, 2011) ;
iv) Payment of US$280,000 upon the second anniversary of the closing of the Qualifying Transaction (paid October 29, 2012);
v) Issuance of 1,892,000 common shares of the Company upon the closing of the Qualifying Transaction (issued October 6, 2011); and
vi) Issuance of 974,667 common shares of the Company upon the first anniversary date of the closing of the Qualifying Transaction (issued October 22, 2012).

Potoni Project: The Potoni silver-zinc-lead project consists of eight mining concessions. The properties lie to the east of the Princesa-Pilunani Belt.

Cullquimayo Project: The Cullquimayo project consisted of 13 mining concessions. Ten of these claims were originally acquired by staking while three of the claims were acquired in May 2005 under an option agreement that required an initial payment of US$5,000 per property (paid), payments of US$10,000 per property in years two (paid) and three (paid), and US$50,000 per property in year four. In year four, the Optionor of the three optioned properties showed unwillingness to conclude the transaction and receive the final option payment. Subsequently, the Optionor requested completion of the final payment of US$150,000 and, pursuant to an arbitration process in Peru, the Company has been considered to still owe this amount. The Company set aside US$150,000 as accrued liabilities towards the payment. In April 2012, the Company paid the Optionor a total of US$176,173 consisting of US$150,000 towards the final option payments and US$26,173 toward legal fees. During the year 2013, the Company did not renew the licenses of 10 of these claims with a total area of 8,000 hectares. The Pilunani project currently consists of three mining concessions.

(Expressed in Canadian dollars)

On May 3, 2013, the Company announced that it had signed an option agreement with Inversiones Collodi SAC ("IC") with respect to Caracara's Peruvian exploration properties. IC is a private Peruvian mineral exploration and development company based in Lima. Under the terms of the agreement, IC would have the right to earn a 65% interest in Caracara's concessions by making exploration expenditures totalling US$12.5 million over a four-year period. In addition, IC would make cash payments to Caracara's wholly-owned affiliate company in Peru, totalling $1.85 million. The Company received the first US$242,370 payment owing and a further US$15,000 towards professional services. However, on October 4, 2013, the Company received a notice from IC terminating its option agreement. IC carried out a limited 2,400-m drilling program on the Princesa silver-zinc-lead project but did not conduct any drilling on Caracara's principal Pilunani zinc-lead project or the Parcuyo project, as was originally contemplated. As a result of the termination of the option agreement, Caracara retains a 100% interest in these highly prospective concessions.

12. Segmented information

Operating segments

At December 31, 2013, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Peru. As the operations comprise a single reporting segment, amounts disclosed in the Financial Statements also represent the single operating segment.

Geographic segments

Caracara is in the business of mineral exploration and production in Canada and Peru. As such, management has organized the Company's reportable segments by geographic area. The Peru segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Caracara's reportable segments is as follows:

		Three months ended December 31, 2013	Three months ended December 31, 2012	**Six months ended December 31, 2013**	Six months ended December 31, 2012
		$	$	**$**	$
Consolidated net loss					
	Canada	**(55,939)**	(530,355)	**(299,615)**	(872,570)
	Peru	**(141,797)**	(232,261)	**(119,160)**	(668,485)
		(197,736)	(762,616)	**(418,775)**	(1,541,055)

(Expressed in Canadian dollars)

	Three months ended December 31, 2013	Three months ended December 31, 2012	**Six months ended December 31, 2013**	Six months ended December 31, 2012
	$	$	**$**	$
Significant non-cash items				
Canada:				
Share-based compensation	**-**	33,362	**-**	123,477
	-	33,362	**-**	123,477

As at	**December 31, 2013**	June 30, 2013
Identifiable assets	**$**	$
Canada	**930,755**	1,257,864
Peru	**86,468**	51,792
	1,017,223	1,309,656