



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2014

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, Icon Exploration Inc. (the "Company") discloses that the accompanying unaudited condensed interim consolidated financial statements for the nine months ended, September 30, 2014, were prepared by and is the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

**Icon Exploration Inc.**

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at:	September 30 2014 \$	December 31 2013 \$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	26	2,087
Receivables	2,982	2,150
	3,008	4,237
Property, plant and equipment - Note 4	10,192	13,106
Exploration and evaluation assets - Note 5	25,000	48,238
	38,200	65,581
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued Liabilities - Note 6	203,256	144,502
Contingent liability - Notes 5 and 11	156,000	180,000
Short-term loans - Note 7	75,000	-
	434,256	324,502
<b>Shareholders' Equity</b>		
Share capital - Note 8(a)	12,138,520	12,114,520
Contributed surplus - Note 8(e)	948,676	948,676
Accumulated deficit	(13,483,252)	(13,322,117)
	(396,056)	(258,921)
	38,200	65,581

Nature of operations – Note 1

Going concern of operations – Note 2 (c)

Signed on behalf of the Board of Directors by:

“Nav Dhaliwal”  
Nav Dhaliwal

Director

“Hans Rasmussen”  
Hans Rasmussen

Director

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

**Icon Exploration Inc.**

## Condensed Interim Consolidated Statements of Comprehensive Loss

For the Three Months and Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Expenses:</b>				
Accounting and audit	5,900	6,465	12,110	48,014
Administration - Note 6	19,500	19,500	58,500	58,500
Depreciation	788	2,083	2,914	6,280
Bank charges (net)	302	285	986	1,650
Consulting	-	10,431	-	75,287
Corporate development	280	2,515	665	4,840
Filing and transfer fees	2,395	2,936	11,559	11,342
Foreign exchange loss (gain)	1,063	(88)	480	132
Insurance	3,001	3,323	9,040	10,248
Interest on short term loans	5,388	-	5,388	-
Legal	4,955	15,576	27,330	33,081
Management fees - Note 6	-	-	-	20,287
Office and general	2,250	6,820	7,388	50,107
Rent	-	4,739	-	17,331
Shareholders information	-	840	-	2,289
Travel and promotion	(243)	1,840	1,537	16,186
<b>Loss before other items</b>	<b>(45,579)</b>	<b>(77,265)</b>	<b>(137,897)</b>	<b>(355,574)</b>
<b>Other item:</b>				
Foreign exchange translation adjustment	-	(4,359)	-	(23,313)
Write-off of exploration and valuation assets	(23,238)	-	(23,238)	-
<b>Net loss and comprehensive loss for the period</b>	<b>(68,817)</b>	<b>(81,624)</b>	<b>(161,135)</b>	<b>(378,887)</b>
Basic loss per common share	(\$0.01)	\$0.00	(\$0.02)	(\$0.01)
Weighted-average number of common shares outstanding	10,761,645	48,890,843	10,039,716	48,818,777

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

**Icon Exploration Inc.**

Condensed Interim Consolidated Statements of Cash Flows  
For The Nine Months Ended September 30, 2014 and 2013  
(Expressed in Canadian Dollars)

	2014	2013
	\$	\$
<b>Cash flows from operating activities</b>		
<b>Net loss for the period</b>	(161,135)	(355,574)
<b>Adjustments to reconcile loss to net cash used in operating activities:</b>		
Depreciation	2,914	6,280
Interest on short term loans	5,388	-
Write-off of mineral property	23,238	-
Net change in non-cash working capital items:	(129,595)	(349,294)
Receivables	(832)	15,721
Prepaid expenses and deposits	-	9,215
Accounts payable and accrued liabilities	58,754	(6,088)
Contingent liability	(24,000)	-
<b>Cash used in operating activities</b>	(95,673)	(330,446)
<b>Investing activities</b>		
Deferred exploration costs	-	(32,604)
<b>Cash used in investing activities</b>	-	(32,604)
<b>Financing activities</b>		
Interest on short term loans	(5,388)	-
Shares issuance pursuant to settlement	24,000	-
Short-term loans	75,000	-
<b>Cash from financing activities</b>	93,612	-
Effect of exchange rate change on cash	-	(2,219)
<b>Change in cash and cash equivalents during the period</b>	(2,061)	(365,269)
<b>Cash and cash equivalents, beginning of period</b>	2,087	396,088
<b>Cash and cash equivalents, end of period</b>	26	30,819

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

**Icon Exploration Inc.**

Condensed Interim Consolidated Statements of Changes in Equity

For the Nine Months Ended September 30, 2014 and 2013

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus \$	Foreign Currency Translation Reserve \$	Accumulated Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$				
<b>Balance - December 31, 2012</b>	48,782,147	12,111,520	948,676	3,193	(11,132,417)	1,930,972
Shares issued on property lease agreement	200,000	3,000	-	-	-	3,000
Currency translation adjustment	-	-	-	(26,506)	-	(26,506)
Loss for the period	-	-	-	-	(355,574)	(355,574)
<b>Balance - September 30, 2013</b>	48,982,147	12,114,520	948,676	(23,313)	(11,487,991)	1,551,892
Shares consolidated 5:1	(39,185,719)	-	-	-	-	-
Currency translation adjustment	-	-	-	23,313	-	23,313
Net loss for the period	-	-	-	-	(1,834,126)	(1,834,126)
<b>Balance - December 31, 2013</b>	9,796,428	12,114,520	948,676	-	(13,322,117)	(258,921)
Shares issued to settle debt	2,400,000	24,000	-	-	-	24,000
Net loss for the period	-	-	-	-	(161,135)	(161,135)
<b>Balance - September 30, 2014</b>	12,196,428	12,138,520	948,676	-	(13,483,252)	(396,056)

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

## **ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

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### **1. Corporate Information**

Icon Exploration Inc. ("Icon" or "the Company") was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008 and is in the business of acquiring, exploring and developing mineral properties. The Company is listed on the TSX Venture Exchange and currently is in the exploration stage with interests in mineral properties in Canada (formally also in Colombia and the USA). The Company's registered and records office is located at #430 – 609 Granville Street, Vancouver, Canada, V7Y 1G5.

### **2. Basis of Preparation and Summary of Significant Accounting Policies**

These condensed interim consolidated financial statements for the nine month period ended September 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's 2013 audited annual consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's December 31, 2013 audited annual consolidated financial statements.

#### **a) Basis of Consolidation**

The consolidated financial statements include all subsidiaries of the Company. A subsidiary is an entity over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. A subsidiary is fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases. All significant inter-company transactions and balances have been eliminated.

On March 14, 2014, the Company completed the transfer of ownership of Grupo Mineros del Caribe, S.A.S., its Colombian subsidiary, to Carlos Marin Arias, a citizen of Colombia. The current unaudited condensed interim financial statements include only the accounts of Icon Exploration Inc. (the parent company) while as at December 31, 2013 and prior, the financial statements would also include its wholly owned subsidiary Grupo Mineros del Caribe, S.A.S. ("Grupo"), a company incorporated on April 19, 2010, under the laws of Colombia.

#### **b) Functional Currency**

The functional and presentation currency of the parent Company is the Canadian dollar and the functional currency of Grupo was the Colombian Peso. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

## **ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

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### **2. Basis of Preparation and Summary of Significant Accounting Policies – (cont'd)**

#### **c) Going Concern of Operations**

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. At September 30, 2014, the Company had not yet achieved profitable operations, has an accumulated deficit of \$13,483,252 and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 20, 2014.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### **3. Critical Accounting Estimates and Judgements**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies and sources of estimation uncertainty that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are the same as those that applied to the Company's December 31, 2013, audited annual consolidated financial statements.



**ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

**4. Property, Plant and Equipment**

	Furniture \$	Computer Equipment \$	Tooling Equipment \$	Total \$
<b>Cost</b>				
As at December 31, 2012	8,501	60,301	3,258	72,060
Write-off	(7,094)	(7,972)	(3,189)	(18,255)
Foreign exchange movement	(155)	(173)	(69)	(397)
As at December 31, 2013	1,252	52,156	-	53,408
	-	-	-	-
As at September 30, 2014	1,252	52,156	-	53,408
<b>Accumulated depreciation</b>				
As at December 31, 2012	3,634	37,409	1,294	42,337
Depreciation	745	6,483	433	7,661
Write-off	(3,526)	(4,310)	(1,699)	(9,535)
Foreign exchange movement	(63)	(70)	(28)	(161)
As at December 31, 2013	790	39,512	-	40,302
Depreciation	69	2,845	-	2,914
As at September 30, 2014	859	42,357	-	43,216
<b>Net book value</b>				
As at December 31, 2013	462	12,644	-	13,106
As at September 30, 2014	393	9,799	-	10,192

**5. Exploration and Evaluation Assets**

The Company's exploration property is currently located in Canada. Previously, the Company also held interest in properties in Colombia, Guinea and the USA.

The Company's exploration and evaluation assets are as follows:

**ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

**5. Exploration and Evaluation Assets – (cont'd)**

	Colombia		Canada	USA	Total
	Guadalupe \$	Small Frontino \$	Easy Joe \$	Spanish Canyon \$	
<b>Costs:</b>					
<b>Balance - December 31, 2012</b>	1,470,720	122,695	25,000	-	1,726,506
Acquisition costs	-	-	-	23,238	23,238
Exploration costs	12,570	71	-	-	12,641
Foreign exchange movement	(11,608)	(324)	-	-	(11,932)
<b>Balance - December 31, 2013</b>	1,471,682	122,442	25,000	23,238	1,750,453
Acquisition/exploration costs	-	-	-	-	-
<b>Balance - September 30, 2014</b>	1,471,682	122,442	25,000	23,238	1,750,453
<b>Impairment write-offs:</b>					
<b>Balance - December 31, 2012</b>	-	-	-	-	(108,091)
Write-offs	(1,471,682)	(122,442)	-	-	(1,594,124)
<b>Balance - December 31, 2013</b>	(1,471,682)	(122,442)	-	-	(1,702,215)
Write-offs	-	-	-	(23,238)	(23,238)
<b>Balance - September 30, 2014</b>	(1,471,682)	(122,442)	-	-	(1,725,453)
<b>Carrying values:</b>					
<b>Carrying value - December 31, 2013</b>	-	-	25,000	23,238	48,238
<b>Balance - September 30, 2014</b>	-	-	25,000	-	25,000

Colombia:

## a) Guadalupe

The Guadalupe property was comprised of two thirty-year mineral exploration concession contracts granted on April 20, 2005. The property consisted of approximately 786 hectares located in the Municipality of Segovia, Colombia. On June 8, 2010, the Company entered into an assignment of mining rights agreement to acquire an undivided interest in the rights to these contracts in exchange for cash paid of US\$700,000 and a surface rental and environmental insurance policy payment of \$14,204.

Pursuant to participation in a production agreement dated June 4, 2010, the Company committed to pay a 15% net production royalty to a third party in exchange for finder's fees related to the property acquisition. The agreement also contained a US\$500,000 penalty provision for any default therein, subject to a force majeure exception. The Company could have reduced this royalty to nil in exchange for a cash payment of US\$5,000,000 to be paid before June 4, 2015.

## ICON EXPLORATION INC.

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

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### 5. Exploration and Evaluation Assets – (cont'd)

Colombia: - (cont'd)

#### a) Guadalupe – (cont'd)

An alluvial minerals and NSR participation agreement dated April 23, 2010 was in effect for this property whereby all of the alluvial minerals extraction rights were owned by the vendor, subject to a 15% net production royalty in favour of the Company.

Also pursuant to this agreement, the vendor was granted a variable 1% to 4% NSR on all non-alluvial production, with actual NSR rates dependent upon the US\$ price of gold. The agreement contained a US\$10,000,000 penalty provision for any default therein.

Concession contracts related to exploration and mining in Colombia are governed by Colombian mining laws and have three phases which commence upon its registration in the National Mining Registry (Registro Minero Nacional): exploration, construction and exploitation. The contracts were in the exploration phase which was expected to terminate on April 25, 2016. Concessions ground fees (also known as “canons” in Colombia) were payable during the exploration and construction phases.

Due to a lack of funding and uncertainty of success in continuing on with the property, all previously deferred exploration and evaluation assets totalling \$1,471,682 have been written off as at December 31, 2013.

#### b) Small Frontino

Pursuant to a dispute settlement agreement dated December 3, 2010 and subsequently renegotiated in January 2011, the Company agreed to acquire two mineral concessions located in Colombia known as the Small Frontino properties in exchange for a cash payment of US\$135,000.

Due to a lack of funding and uncertainty of success in continuing on with the property, all previously deferred exploration and evaluation assets totalling \$122,695 have been written off as at December 31, 2013.

#### c) Transfer of Colombian Subsidiary

On March 14, 2014, the Company completed the transfer of ownership of Grupo Mineros del Caribe, S.A.S., its Colombian subsidiary, to Carlos Marin Arias, a citizen of Colombia. The Company currently holds no interest in any mineral properties in Colombia.

Canada:

Easy Joe

The Company owns the mineral rights for one small property located in British Columbia, Canada.

USA:

Spanish Canyon

On July 24, 2013, management signed a mineral property lease agreement (“Agreement”) for the Spanish Canyon Project (“Spanish Canyon”). The Spanish Canyon gold prospect, located in north central Nevada, USA, consists of 94 lode claims covering an area of about 1,900 acres. Subject to prior termination, the term of the Agreement is for a period of twenty years commencing on the Effective Date (“July 24, 2013”).

**ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

**5. Exploration and Evaluation Assets – (cont'd)**

USA: - (cont'd)

Spanish Canyon – (cont'd)

The Company paid \$5,290 (US\$5,000) on execution of the agreement and in August 2013, \$14,948 (US\$14,151) was reimbursed to the owner for annual fees paid, and 200,000 common shares of the Company valued at \$3,000 were issued.

The Agreement required the Company to make Advanced Royalty Payments and issuance of its common stock as followed:

	<u>Advanced Royalty Payment - US\$</u>	
On execution of Agreement - July 24, 2013	5,000	(paid)
On or prior to July 24, 2014	15,000	(not paid)
Each year on or prior to July 24, 2015 - 2016	20,000	
On or prior to July 24, 2017	30,000	
On or prior to July 24, 2018	40,000	
Each year on or prior to July 24, 2019 - 2023	50,000	
Each year on or prior to July 24, 2024 - 2028	75,000	
Each year on or prior to July 24, 2029 - 2033	100,000	
	<u>Number of Company Stock</u>	
Each year within 60 days of July 24, 2013 - 2017	200,000	(issued re: 2013) (not issued re: 2014)

The Advanced Royalty Payments was to be credited against the royalty, but not mineral rights or the purchase price. Any Advanced Royalty Payments not paid or stock certificates not delivered to the owner when due shall render the Agreement to be null and void and Company shall have no rights, title or interest to this Agreement, unless modified and agreed upon in writing by both parties.

Work commitments by the Company under the Agreement are as follows:

	<u>Amount - US\$</u>	
1st Lease year	10,000	(not incurred)
2nd Lease year	25,000	
3rd Lease year	50,000	
4th Lease year	75,000	
Each lease year: 5th lease year - 20th lease year	100,000	

In the event the Company was unable to fulfill the required work commitments within the required time frames, the difference between the actual expenditures made and the required work commitments would be paid to the owner in cash within 30 days of the delinquent date or this Agreement shall be null and void and the Company shall have no rights, titles or interests to this Agreement unless modified and agreed upon in writing by both parties.

The Company was obligated to pay to the owner a production royalty equal to three percent of the Net Smelter Returns ("NSR") from the production or sale of minerals from the Spanish Canyon properties ("Property") and a production royalty equal to one percent of the NSR or any other royalties from the production of sale of minerals from all third party properties within the Property.

## ICON EXPLORATION INC.

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

### 5. Exploration and Evaluation Assets – (cont'd)

USA: - (cont'd)

Spanish Canyon – (cont'd)

The Company had the option to purchase one-third of the NSR for one million dollars (\$1,000,000), in accordance with the Agreement and terms of the Purchase of Production Royalty Quitclaim Deed (the "Royalty Deed"). The Company had the option to purchase an additional one percent (1%) of the NSR for three million dollars (\$3,000,000), in accordance with the Agreement and terms of the Royalty Deed. The Company could have exercised the option to purchase the royalty at any time within six months after it completed a positive, bankable, feasibility study and commits the development of the property as a mine.

Due to a lack of funding and uncertainty of success in continuing on with the property, the Spanish Canyon project was terminated in July, 2014 and all previously deferred exploration and evaluation assets totalling \$23,238 have been written off as at September 30, 2014.

Guinea:

In July 2011, the Company acquired a 100% interest in Guinean Global Resources SA ("GGR"), which has an 80% ownership interest in Group Guinea Investment SA ("GGI"), both Guinea, West Africa companies.

Effective October 1, 2011 and amended October 21, 2011 and November 8, 2012, the Company entered into a share purchase option agreement ("Agreement") with Siguiri Gold Mining Corp. ("Siguiri") and Siguiri Mining Guinea Ltd. ("SMG"), whereby Siguiri agreed to purchase the Company's shares of wholly-owned GGR.

During the year ended December 31, 2012, the share transfer due by October 1, 2011 was completed and the initial payment of common shares and cash, consisting of \$125,000 plus a \$55,000 recovery of costs associated with the acquisition of the property, was received. The fair value of the Siguiri shares was determined to be nil due to the early stage of development of the property and because the fair value of the Siguiri shares could not be reliably determined. Pursuant to the terms of the agreement the GGR shares were to be transferred in four tranches as follows:

	SMG cash payment	Siguiri share issuance	SMG exploration expenditures to be incurred	GGR % of shares acquired	GGR cumulative % of shares acquired
October 1, 2011	125,000	100,000		3.5%	3.5%
July 31, 2013			300,000		3.5%
December 31, 2013		200,000	200,000	14.5%	18%
December 31, 2014		200,000	1,000,000	31.5%	49.5%
December 31, 2015		1,000,000 <sup>(1)</sup>	1,000,000	51.5%	100%
	125,000	1,500,000	2,500,000		

(1) At SMG's sole option, this payment may be either cash of \$1,000,000 or 1,000,000 siguiri shares.

The agreement specified that SMG was also required to complete a NI 43-101 compliant technical report. In addition, prior to or concurrent with the final payment, Icon would have been granted a 2% net smelter royalty ("NSR") on the property, 1% of which may have been purchased at any time by SMG for \$1,000,000.

On November 5, 2013, a letter from legal counsel for Siguiri and SMG was received asserting that title to the mineral properties purported to be held by GGR was not as represented by the Company. The letter claims the return of the \$180,000 payment and 100,000 common shares of Siguiri issued as per the Agreement along with expenses incurred by Siguiri and SMG with respect to the properties, which were estimated to be in excess of \$120,000.

## ICON EXPLORATION INC.

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

### 5. Exploration and Evaluation Assets – (cont'd)

Guinea: - (cont'd)

In May, 2014, the Company reached a settlement with Siguri whereby, as full settlement of all outstanding claims, Siguri will return to the Company the 70 GGR shares currently issued in its name, the Company will return to Siguri the 100,000 common shares of Siguri currently issued in the Company's name and the Company will issue to Siguri up to four million common shares of Icon (the "Icon Shares"). The Icon Shares will be issued and delivered to Siguri in such amounts and at such times as such issuances will not cause Siguri, or any other registered or beneficial recipient of the Icon Shares to become a "control person" of the Company, as such term is defined in section 1(1) of the *Securities Act* of British Columbia. All Icon Shares, when issued, will be subject to a four month hold period as required under applicable securities laws.

The settlement agreement was accepted by the TSX Venture Exchange ("Exchange") on August 18, 2014, and 2.4 million shares were issued to Siguri on August 25, 2014. These shares are subject to a four month hold period from the date of issuance.

On November 10, 2014, another 1,000,000 shares were issued to Siguri. These shares are subject to a four month hold period from the date of issuance.

### 6. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel included the CEO, Chairman, and CFO and their compensations are as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
Administration/accounting	19,500	19,500	58,500	58,500
Consulting	-	8,610	-	48,316
Management	-	-	-	20,287
Other	-	-	-	4,500
<b>Total</b>	<b>19,500</b>	<b>28,110</b>	<b>58,500</b>	<b>131,603</b>

Related party liabilities included in trade and other payable are as follows:

	As at September 30	
	2014	2013
	\$	\$
Amounts due to management:		
Administration/accounting	45,500	6,500
Other	2,275	325
<b>Total</b>	<b>47,775</b>	<b>6,825</b>

Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties.

## **ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

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### **7. Short-Term Loans**

The Company has entered into a loan agreement dated April 9, 2014 with a lender for \$25,000 and three additional loan agreements dated April 21, 2014, June 27, 2014 and October 13, 2014, respectively, of \$25,000 each with another lender, for a total of \$100,000 (the "Principal Loan Amount") with interest at a rate of 18% per annum (the "Interest Amount"). Under the terms of all loan agreements, the Company will have 60 days from the date of receipt of a written demand notice to repay the Principal Loan Amount and the Interest Amount to the respective lender. Unless the Company is in default under a loan agreement, the lender may not demand payment at any time prior to the date which is one year from the date of the respective loan agreement.

As additional consideration for the lenders entering into the loan agreements with the Company, after receiving acceptance from the Exchange, on October 30, 2014, the Company issued to the lenders 100,000 common shares of the Company for each \$25,000 loan, for an aggregate of 400,000 shares. These shares are subject to a hold period of four months from the date of issuance and are fair valued at \$12,000 based on the closing share trading price of \$0.03 on the day of issuance.

Interest of \$5,388 has been accrued to September 31, 2014, and is included in accounts payable and accrued liabilities.

### **8. Share Capital**

#### **a) Authorized:**

Unlimited common shares without par value.

#### **b) Issued:**

Pursuant to the Siguri Settlement (see Note 5 above), on November 10, 2014, the Company issued 1,000,000 shares fair valued at \$25,000 based on the closing share trading price of \$0.025 at the time of issuance. These shares are subject to a four month hold period from the date of issuance.

On October 30, 2014, the Company issued 400,000 common shares fair valued at \$12,000 based on the closing share trading price of \$0.03 at the time of issuance as bonus shares pursuant to the loan agreements as described in Note 7 above.

Pursuant to the Siguri Settlement (see Note 5 above), on August 25, 2014, the Company issued 2.4 million common shares fair valued at \$24,000 based on the closing share trading price of \$0.01 at the time of issuance. The shares are subject to a four month hold period from time of issuance.

During the year ended December 31, 2013, the Company issued 200,000 common shares fair valued at \$3,000 based on the closing trading price of the Company's common shares at the time of issuance in accordance with the Spanish Canyon property lease agreement.

At June 30, 2014, 9,796,428 common shares were issued and outstanding. During the period 30,900 common shares were released from escrow, which represents the last of the remaining shares held by the transfer agent that were subject to escrow restrictions. At June 30, 2014, nil shares remained in escrow.

**ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

**8. Share Capital – (cont'd)****c) Stock options:**

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance - December 31, 2012	3,297,500	0.37
Cancelled/expired	(3,297,500)	0.37
Balance - December 31, 2013 and September 30, 2014	-	-

The options granted in 2012 and prior to former management (directors and officers) and other consultants were cancelled during the year ended December 31, 2013, due to resignations of prior management and consultants that are no longer providing services to the Company.

**d) Share Purchase Warrants Outstanding:**

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance - December 31, 2012	3,764,000	0.44
Warrants expired	(1,160,000)	0.86
Balance - December 31, 2013 and September 30, 2014	2,604,000	0.50

Details of share purchase warrants outstanding at September 30, 2014:

Number of Warrants	Exercise Price \$	Expiry Date	Remaining Life (Years)
2,604,000	0.50	October 21, 2017	3.08

**e) Contributed Surplus:**

	Stock-based Compensation \$	Brokers' Warrants \$	Total \$
Balance December 31, 2013 – September 30, 2014	785,908	162,768	948,676

Contributed Surplus' is used to recognize the value of stock option grants and share purchase warrants prior to exercise.

**9. Segmented Information****Geographic Information**

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:



**ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

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**9. Segmented Information – (cont'd)****Geographic Information – (cont'd)**

<b>September 30, 2014</b>	Canada \$	Colombia \$	USA \$	Total \$
Current assets	3,008	-	-	3,008
Property, plant and equipment	10,192	-	-	10,192
Explorations & evaluation reserves	25,000	-	-	25,000
<b>Total Assets</b>	<b>38,200</b>	<b>-</b>	<b>-</b>	<b>38,200</b>

<b>September 30, 2013</b>	Canada \$	Colombia \$	USA \$	Total \$
Current assets	34,768	2,018	-	36,786
Property, plant and equipment	14,490	8,531	-	23,021
Explorations & evaluation reserves	25,000	1,581,916	23,237	1,630,153
<b>Total Assets</b>	<b>74,258</b>	<b>1,592,465</b>	<b>23,237</b>	<b>1,689,960</b>

**10. Income Taxes**

No income tax expense or recovery arises due to the losses incurred in the period. At December 31, 2013, the Company had accumulated capital losses of approximately \$1,548,000 and non-capital losses totalling approximately \$9,076,000 in Canada. The non-capital losses expire as follows:

Year ending December 31,	Total \$
2015	355,000
2026	339,000
2028	1,813,000
2029	1,389,000
2030	2,206,000
2031	1,451,000
2032	1,052,000
2033	471,000
	<u>9,076,000</u>

**11. Contingencies***Claim by a former director/consultant*

On March 4, 2013 a notice of civil claim against the Company was filed with the Supreme Court of British Columbia by a former director/consultant of the Company claiming an amount of \$133,097 for unpaid fees and expenses. On November 27, 2013, the Company was served with the notice of the civil claim.

On January 10, 2014 a response was filed disputing the claim as the director/consultant was terminated for just cause. On January 10, 2014, the Company also filed a counterclaim seeking certain monetary returns from the claimant.

## **ICON EXPLORATION INC.**

Notes to the Condensed interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Unaudited - Expressed in Canadian Dollars)

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### **11. Contingencies – (cont'd)**

#### *Sigiri Gold Mining Corp.*

Pursuant to the letter received from legal counsel of Sigiri Gold Mining Corp. ("Sigiri") and Sigiri Mining Guinea Ltd. ("SMG") on November 5, 2013 regarding the sale of Guinean subsidiary Guinean Global Resources SA, the circumstances of which are described in Note 5, the Company accrued a contingent liability of \$180,000, representing probable repayment of the original \$180,000 received from Sigiri.

A settlement agreement was accepted by the TSX Venture Exchange ("Exchange") on August 18, 2014, and 2.4 million shares were issued to Sigiri on August 25, 2014 with a balance of 1.6 million shares to be issued at such times as such issuances will not cause Sigiri to become a "control person".

The 2.4 million shares issued were fair valued at \$24,000 and has been offset against the initial \$180,000 contingent liability resulting in a net contingent liability of \$156,000 in the financial statements as at September 30, 2014.

On November 10, 2014, another 1,000,000 shares were issued to Sigiri Gold Mining Corp. fair valued at \$25,000 based on the closing share trading price of \$0.025 at the time of issuance. These shares are subject to a four month hold period from the date of issuance.

### **12. Events after Reporting Period**

- On October 30, 2014, 400,000 common shares of the Company as bonus shares were issued pursuant to the short term loan agreements as entered into by the Company. See Note 7 to the notes of these financial statements.

These shares issued are subject to a four month hold period from the date of issuance.

- Pursuant to a claim settlement agreement, on November 10, 2014, 1,000,000 common shares of the Company were issued to Sigiri Gold Mining Corp. fair valued at \$25,000 based on the closing share trading price of \$0.025 at the time of issuance.

These shares issued are subject to a four month hold period from the date of issuance.