Unique Resources Corp.

(An Exploration Stage Company)

Financial Statements

September 30, 2012

(Expressed in Canadian Dollars)

charlton

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charlton & company
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Unique Resources Corp.

We have audited the accompanying financial statements of Unique Resources Corp., which comprise the statements of financial position as at September 30, 2012 and 2011 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended September 30, 2012 and for the period from the incorporation date of May 20, 2011 to September 30, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Unique Resources Corp. as at September 30, 2012 and 2011 and its financial performance and cash flows for the year ended September 30, 2012 and for the period from the incorporation date of May 20, 2011 to September 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matters
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED ACCOUNTANTS

Vancouver, Canada
January 22, 2013

Unique Resources Corp.
(An Exploration Stage Company)
Statements of Financial Position
In Canadian Dollars

		September 30, 2012		September 30, 2011
ASSETS				
Current Assets				
Cash	$	394,123	$	216,872
Accounts receivable		22,907		10,687
Tax credit receivable (Note 4)		3,216		-
Prepaid expenses (Note 9)		26,418		19,730
		446,664		247,289
Deferred Financing Costs (Note 6)		-		2,000
Mineral Property (Note 4)		40,000		20,000
TOTAL ASSETS	$	486,664	$	269,289
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)	$	17,653	$	42,420
Flow-through share liability (Note 5c)		-		23,515
		17,653		65,935
Shareholders' Equity				
Share Capital (Note 5)		808,034		222,308
Reserves (Note 5d)		252,630		110,000
Deficit		(591,653)		(128,954)
		469,011		203,354
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	486,664	$	269,289

Nature of Operations and Going Concern *(Note 1)*

Approved by the Board of Directors:

Darryl Cardey, Director

Gary Freeman, Director

– See Accompanying Notes to Financial Statements –

Unique Resources Corp.
(An Exploration Stage Company)

Statements of Loss and Comprehensive Loss

For the Year Ended September 30, 2012 and For the Period from Incorporation on May 20, 2011 to September 30, 2011

In Canadian Dollars

		2012		2011
Expenses				
Audit and accounting (Note 9)	$	13,200	$	10,000
Consulting fees (Note 9)		180,000		-
Directors fees (Note 9)		12,000		-
Exploration and evaluation costs (Note 4)		128,480		107,653
Filing and transfer agent fees		9,453		-
Insurance		5,396		250
Investor relations		524		-
Legal		4,622		-
Office and administration (Note 9)		21,522		228
Rent (Note 9)		4,000		-
Share-based compensation (Note 5)		107,017		32,308
Total Expenses		486,214		150,439
Other Income (Note 5c)		(23,515)		(21,485)
Net loss and comprehensive loss for the period	$	462,699	$	128,954
Loss per share – basic and diluted	$	0.04	$	0.02
Weighted average number of common shares outstanding		11,275,082		6,803,571

– See Accompanying Notes to Financial Statements –

Unique Resources Corp.
(An Exploration Stage Company)

Statements of Cash Flows

For the Year Ended September 30, 2012 and For the Period from Incorporation on May 20, 2011 to September 30, 2011
In Canadian Dollars

		2012		2011
Cash Provided By (Used In):				
Operations activities				
Net loss for the period	$	(462,699)	$	(128,954)
Items not affecting cash:				
Share-based compensation		107,017		32,308
Other income		(23,515)		(21,485)
Change in non-cash operating working capital:				
Accounts receivable		(12,220)		(10,687)
Tax credit receivable		(3,216)		-
Prepaid expenses		(6,688)		(19,730)
Accounts payable and accrued liabilities		(24,767)		42,420
		(426,088)		(106,128)
Investing activities				
Mineral property option payments		(20,000)		(20,000)
Financing activities				
Deferred financing costs		-		(2,000)
Proceeds from issuance of shares		825,000		345,000
Share issuance costs		(201,661)		-
		623,339		343,000
Net increase in cash		177,251		216,872
Cash - beginning of period		216,872		-
Cash - end of period	$	394,123	$	216,872
Supplemental non-cash financing information				
Fair value of agent options included in share capital	$	35,613	$	-
Interest paid	$	-	$	-
Taxes paid	$	-	$	-
Recognized share-based compensation based on fair value of founders' shares issued being in excess of their deemed value	$	-	$	32,308

– See Accompanying Notes to Financial Statements –

Unique Resources Corp.
(An Exploration Stage Company)
Statements of Changes in Equity
For the Year Ended September 30, 2012 and For the Period from Incorporation on May 20, 2011 to September 30, 2011
In Canadian Dollars

	Share Capital		Reserves			
	Shares	Amount $	Warrants $	Options $	Deficit $	Total $
Balance, Incorporation	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	(128,954)	(128,954)
Founders' shares – May 2011 (Note 5(b)(i))	2,000,000	20,000	-	-	-	20,000
Founders' shares – share-based compensation (Note 5(b)(i))	-	32,308	-	-	-	32,308
Private placement – flow-through shares – July 2011 (Note 5(b)(ii))	4,425,000	107,000	-	-	-	107,000
Private placement – non flow-through shares – July 2011 (Note 5(b)(ii))	2,075,000	63,000	-	-	-	63,000
Warrants issued – July 2011 (Note 5(b)(ii))	-	-	110,000	-	-	110,000
Balance, September 30, 2011	8,500,000	222,308	110,000	-	(128,954)	203,354
Comprehensive loss	-	-	-	-	(462,699)	(462,699)
IPO shares (Note 5(b)(iii))	5,500,000	825,000	-	-	-	825,000
IPO Agent's finance fee shares (Note 5(b)(iii))	20,000	3,000	-	-	-	3,000
Fair value of Agent's options (Note 5(f)(i))	-	(35,613)	-	35,613	-	-
IPO share issuance costs (Note 5(b)(iii))	-	(206,661)	-	-	-	(206,661)
Fair value of Directors and consultants' options (Note 5(f)(ii))	-	-	-	107,017	-	107,017
Balance, September 30, 2012	14,020,000	808,034	110,000	142,630	(591,653)	469,011

– See Accompanying Notes to Financial Statements –

1. Nature of Operations and Going Concern

Unique Resources Corp. (the "Company") was incorporated on May 20, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

The head office, principal address, and records office of the Company are located at 789 West Pender Street, Suite 800, Vancouver, British Columbia, V6C 1H2, Canada. The Company's common shares are publicly listed on the Toronto Stock Exchange's Venture Exchange (the "TSXV").

The recoverability of amounts shown as mineral property interests is dependent upon the conversion of mineral resources to economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. At September 30, 2012, the Company had working capital of $429,011, and had not achieved profitable operations and had an accumulated deficit of $591,653 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, its ability to obtain the necessary financing to develop the properties and to meet its corporate overhead needs, keep its property in good standing and discharge its liabilities as they come due. On March 30, 2012, the Company completed an IPO of 5,500,000 common shares at a deemed price of $0.15 per share for gross proceeds of $825,000. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Basis of Presentation

a) Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale and financial assets at fair value through profit and loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

The accounting policies set out in Note 3 have been applied consistently by the Company during the current year.

b) Approval of the Financial Statements

These financial statements were approved and authorized for issue by the Board of Directors on January 22, 2013.

c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3. Significant Accounting Policies

a) Cash

The Company considers cash to include amounts held in banks. The Company places its cash with major financial institutions in Canada.

3. Significant Accounting Policies – *Continued*

b) Mineral Property

i) Exploration and Evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the period. Exploration and evaluation expenditures include costs of equipment rental, geochemical analysis, and geological consulting services.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written off.

ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditure is net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

iii) Impairment

The carrying value of all categories of mineral property are reviewed at least annually by management for indicators that the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU’s fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

3. Significant Accounting Policies – *Continued*

b) Mineral Property – *Continued*

iii) Impairment – *Continued*

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset or CGU through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs. Once calculated, 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.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3. Significant Accounting Policies – *Continued*

c) Provisions – *Continued*

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

d) Site Closure and Reclamation Provision

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. As at September 30, 2012, the Company had not recognized any decommissioning liabilities.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated on a basis consistent with depreciation, depletion, and amortization of the underlying assets.

The obligation is accreted over time for the change in their present value, with this accretion charge recognized as a finance expense in the statements of comprehensive loss. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in profit or loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company’s closure and reclamation obligations becomes available.

3. Significant Accounting Policies – *Continued*

e) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized either in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Share Capital

i) The proceeds from the exercise of stock options, common share purchase warrants and purchase of common shares are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair value of these common shares.

iii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis using relative fair values of common shares and common share purchase warrants. The fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

All costs related to issuances of share capital are charged against the proceeds received from the related share capital.

3. Significant Accounting Policies – *Continued*

g) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares issued and outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings per share. Diluted and basic loss per share are the same because the effects of potential issuances of common shares under stock options and common share purchase warrants would be anti-dilutive.

h) Comprehensive Income

Comprehensive income includes net income or loss and other comprehensive income or loss. Other comprehensive income or loss may include holding gains and losses on available-for-sale securities, gains and losses on certain derivative instruments and foreign gains and losses from self-sustaining foreign operations. During the current year, the Company did not have any other comprehensive income components.

i) Share-based Payments

From time to time, the Company grants stock options to directors, officers, employees and non-employees to purchase common shares. The Company accounts for share-based payments, including stock options, at their fair value on the grant date and recognizes the cost as a compensation expense over the period that the employees become entitled to the award. The fair value of the stock options on the grant date is determined using the Black-Scholes pricing model for stock option awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. A corresponding increase is recognized in shareholders' equity for these costs.

j) Financial Instruments

The Company accounts for its financial instruments as follows:

Cash, accounts receivable and tax credit receivable	Loans and receivables
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

3. Significant Accounting Policies – *Continued*

j) Financial Instruments – *Continued*

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than twelve months after the end of the reporting period, which are classified as non-current assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company's loans and receivables consist of cash, accounts receivable, and tax credit receivable.

Financial Assets at Fair Value Through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has not designated any financial assets as fair value through profit or loss.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within twelve months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company has not designated any financial assets as available-for-sale.

3. Significant Accounting Policies – *Continued*

j) Financial Instruments – *Continued*

Financial Liabilities

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit and loss are expensed as incurred. The Company's financial liabilities consists of accounts payable and accrued liabilities.

Impairment of Financial Assets

The Company assesses at the end of each reporting date whether there are indicators of impairment present for financial assets other than financial assets valued through profit and loss. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in profit or loss.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3. Significant Accounting Policies – *Continued*

k) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. To the extent that the Company has available tax pools for which the benefit has not been previously recognized as being realizable, the premium is recognized in profit or loss as a deferred income tax recovery to recognize the deferred tax asset offsetting the liability at the time of renunciation of the tax pools.

l) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

<u>Estimates</u>

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of mineral property; provision for environmental rehabilitation; inputs used in the valuation of share-based payments; and provision for deferred income tax, including the effects of flow-through shares.

<u>Judgements:</u>

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

3. Significant Accounting Policies – *Continued*

l) Critical Accounting Judgments and Estimates – *Continued*

Mineral property

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

Deferred income tax

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances (see Note 7).

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 5.

m) Comparative Figures

Certain comparative figures have been reclassified to conform to the current year financial statements presentation.

3. Significant Accounting Policies – *Continued*

n) Recent Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued. The Company has not yet early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2013

IFRS 10, *Consolidated Financial Statements,* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

IFRS 11, *Joint Arrangements,* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12, *Disclosure of Involvement with Other Entities,* requires the disclosure of information that enables users of consolidated financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13, *Fair Value Measurement,* defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for the following:

- Share-based payment transactions within the scope of IFRS 2, *Share-based Payment*;
- Leasing transactions within the scope of IAS 17, *Leases*;
- Measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2, *Inventories*, or value in use in IAS 36, *Impairment Assets*.

IFRIC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*, summarizes the method of accounting for waste removal costs incurred as a result of surface mining activity during the production phase of a mine.

Accounting Standards Issued and Effective January 1, 2015

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.

In Canadian Dollars

4. Mineral Property

On June 1, 2011, the Company entered into an option agreement to acquire a 100% interest in 10 mineral claims covering 3,850 hectares, called the Lucifer Property (the "Property"), located in Eskay, British Columbia. Pursuant to the option agreement, the Company is required to make cash payments, issue common shares of the Company, and make exploration expenditures according to the following schedule:

Date	Common Shares	Cash Payments	Exploration Expenditures
On execution of the option agreement	Nil	$20,000 (paid)	Nil
March 30, 2012	Nil	$20,000 (paid)	$100,000 (incurred)
March 30, 2014	Nil	Nil	$200,000
March 30, 2016	125,000	$100,000	$300,000
March 30, 2018	125,000	$200,000	$350,000
TOTAL	**250,000**	**$340,000**	**$950,000**

In accordance with the option agreement, the Company paid $20,000 to the Optionor upon execution of the option agreement and $20,000 during the year ended September 30, 2012. As of September 30, 2012, the Company had incurred $236,133 in exploration expenditures on the Property. The Property is subject to a Net Smelter Royalty("NSR") equal to 2% on the proceeds from production for all minerals derived from the Property in the event of the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom (excluding bulk sampling, pilot plant or test operations). Under the terms of the option agreement, the Company may elect to purchase from the Optionor, at any time, up to three quarters of this NSR (being 1.5%), upon payment of $500,000 per 0.5% NSR.

Accumulated acquisition cost as of September 30, 2012 is as follows:

Balance, as at September 30, 2011	$	20,000
Option payment		20,000
Balance, as at September 30, 2012	$	40,000

In Canadian Dollars

4. Mineral Property – *Continued*

Details of exploration costs incurred for the period from incorporation on May 20, 2011 to September 30, 2011 and the year ended September 30, 2012 are as follows:

Lucifer Property, Eskay, Canada	Year ended September 30, 2012	Period from Incorporation on May 20, 2011 to September 30, 2011
Mineral exploration costs		
Camp and general	$ 21,627	$ -
Equipment rental	13,913	6,033
Geochemical	10,248	16,486
Geological	51,653	49,985
Helicopter	21,561	33,132
Report	12,694	-
BCMEM filing	-	2,017
Total mineral exploration costs – expensed	131,696	107,653
BC METC*	(3,216)	-
Net mineral exploration costs – expensed	128,480	107,653
Mineral exploration costs – beginning of period	107,653	-
Mineral exploration costs – end of period	$ 236,133	$ 107,653

*The Company's mineral exploration costs incurred in British Columbia are eligible for a British Columbia Mining Exploration Tax Credit ("BC METC"). During the year ended September 30, 2012, the Company estimated that the tax credit receivable from BC METC for the mineral exploration costs incurred for the year end September 30, 2012 is $3,216 (2011- $Nil).

5. Shareholders' Equity

a) Authorized

Unlimited number of common shares without par value

b) Issued Share Capital

<u>Share transactions for the period ended September 30, 2011:</u>

(i) On May 25, 2011, the Issuer completed a private placement of 2,000,000 founders' shares for gross proceeds of $20,000. The fair value of these shares on July 14, 2011 was $52,308 based on subsequent financings; therefore a share-based compensation of $32,308 was recorded for the difference between the fair value and cash consideration paid.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

b) Issued Share Capital – *Continued*

(ii) On July 14, 2011, the Issuer completed a private placement of 4,425,000 flow-through seed units at $0.05 for gross proceeds of $221,250 and 2,075,000 non-flow-through seed units at $0.05 for gross proceeds of $103,750. Each flow-through seed unit consisted of one flow-through common share and one non flow through share purchase warrant. Each warrant is exercisable to purchase one additional common share at a price of $0.15 per common share within 60 months from the date the Company is listed on TSX-V. Each non flow-through seed unit consisted of one non flow-through common share and one non-flow through share purchase warrant. Each warrant is exercisable to purchase one additional common share at a price of $0.15 per common share expiring on March 30, 2017.

The fair value of the flow-through share liability associated with the flow-through shares was determined to be $45,000; therefore the remaining proceeds of $280,000 were allocated between share capital and reserves based on the relative fair value method based on the fair value of shares and warrants at time of issuance. The fair value of warrants was estimated at $110,000 using the Black-Scholes pricing model, therefore $170,000 of net proceeds from this financing was allocated to shares and $110,000 was allocated to reserves.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants issued as part of private placements completed on July 14, 2011:

	September 30, 2011
Stock price volatility	107.49%
Risk-free interest rate	2.21%
Expected life of warrants	5 years
Expected dividend yield	0.00%

In Canadian Dollars

5. Shareholders' Equity

b) Issued Share Capital – *Continued*

Share transactions for the period ended September 30, 2012:

(iii) On March 30, 2012, the Company completed an initial public offering ("IPO") by issuing 5,500,000 common shares at $0.15 per common share for gross proceeds of $825,000 ("the Offering"). On April 3, 2012, the Company was listed on TSX-V under the symbol "UQ".As compensation for acting as an IPO agent, the Agent received:

i. a marketing commission equal to $66,000 which was paid in cash;

ii. Agent's Options equal to 8% of the number of common shares issued in the Offering, being 440,000, with an exercise price of $0.15 per share (Note 5(f)(i)).

iii. a corporate finance fee of $25,000 plus HST of $3,000, of which $25,000 was paid in cash and the remaining $3,000 was paid by issuing 20,000 common shares at a fair value of $0.15 per share; and

iv. reimbursement for expenses, including legal fees, third-party expenses and out of pocket expenses of $17,815 including $1,742 of HST.

Total cash share issuance costs, amounted to $203,661 and mainly consisted of Agent's commission, legal, accounting, listing and filing fees.

c) Flow-through share liability

Of the total $221,250 cash proceeds received from flow-through shares issued on July 14, 2011, the Company has incurred $105,636 of qualified exploration expenditures in the period ended September 30, 2011. Accordingly, $21,485 of the flow-through share liability has been recognized in other income in the period ended September 30, 2011.

During the year ended September 30, 2012, the Company has incurred more than the remaining exploration expenditures of $115,614. Consequently, $23,515 of the flow-through share liability has been recognized in other income in the year ended September 30, 2012.

d) Reserves

The following is a summary of the reserves components relating to stock options and common share purchase warrants for year ended September 30, 2012 and the period from incorporation on May 20, 2011 to September 30, 2011:

		2012		2011
Options	$	142,630	$	-
Warrants		110,000		110,000
Total	$	252,630	$	110,000

In Canadian Dollars

5. Shareholders' Equity

e) Warrants

Details of common share purchase warrants activity for the year ended September 30, 2012 and the period from incorporation on May 20, 2011 to September 30, 2011 are as follows:

Opening Balance	Issued	Exercised	September 30, 2011 and 2012	Exercise Price	Expiry Date
-	6,500,000	-	6,500,000	$0.15	March 30, 2017
-	6,500,000	-	6,500,000	$0.15	

The weighted average remaining life of the 6,500,000 common share purchase warrants outstanding is 4.5 years.

f) Stock Options

On November 27, 2011, the Company adopted a rolling stock option plan, which authorizes the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each stock option may not be less than market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's stock option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

Details of activity in stock options for the year ended September 30, 2012 and the period from incorporation on May 20, 2011 to September 30, 2011 are as follows:

September 30, 2011	Issued	Exercised	**September 30, 2012**	Exercise Price	Expiry Date
-	440,000	-	**440,000**	$0.15	March 30, 2014
-	900,000	-	**900,000**	$0.15	April 3, 2017
-	1,340,000	-	**1,340,000**	$0.15	

The weighted average remaining life of the 1,340,000 stock options outstanding is 3.52 years.

There was no activity in stock options for the period ended September 30, 2011.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

f) Stock Options – *Continued*

(i) On March 30, 2012, the Company granted 440,000 options to its agent, equal to 8% of the number of common shares issued in the Initial Public Offering, with an exercise price of $0.15 per share, expiring on March 30, 2014. All options vested on the date of grant. On the date of grant, these options were valued at $35,613 using the Black-Scholes option-pricing model with the following assumptions:

Stock price volatility	103.10%
Risk-free interest rate	1.20%
Expected life of options	2 years
Expected dividend yield	0.00%

(ii) On April 3, 2012, the Company granted to its directors and consultants 900,000 stock options with an exercise price of $0.15 per share expiring on April 3, 2017. The fair value of $107,017 that fully vested on the grant date was recorded as share-based compensation in the statement of operations and included in reserves.

The following assumptions were used for the Black-Scholes valuation of stock options:

Stock price volatility	110.61%
Risk-free interest rate	1.66%
Expected life of options	5 years
Expected dividend yield	0.00%

g) Escrow Shares

Pursuant to an escrow agreement dated December 21, 2011, 4,000,000 common shares and 2,000,000 common share purchase warrants were placed in escrow. 10% of the escrowed shares (400,000 common shares) and warrants (200,000 common share purchase warrants) were released from escrow upon completion of the IPO on April 30, 2012, and 15% of the common shares and common share purchase warrants will be released from escrow every 6 months thereafter. As of September 30, 2012, there were 3,000,000 common shares and 1,500,000 common share purchase warrants remaining in escrow.

6. Deferred Financing Costs

Deferred financing costs related to fees incurred in the process of preparation and filing of the Company's initial public offering ("IPO"). As of September 30, 2011, deferred financing fees of $2,000 consisted of legal fees. The Company completed its IPO on March 30, 2012, and on that date all deferred financing costs have been reclassified to share issuance costs.

In Canadian Dollars

7. Income Taxes

a) The Company's effective tax rate differs from the amount obtained by applying the statutory rate due to the following:

		2012		2011
Statutory tax rate		25.38%		26.50%
Recovery of income taxes based on statutory tax rate	$	(117,400)	$	(34,200)
Change in benefit not recognized		117,100		3,600
Difference between current and future tax rate		1,400		1,800
Items credited or charged through equity		(51,200)		(500)
Permanent differences		50,100		29,300
Recovery of income taxes	$	-	$	-

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse.

b) Deferred tax assets have not been recognized as at September 30, 2012 and 2011 in respect of the following items:

		2012		2011
Non-capital losses carried forward	$	303,000	$	11,000
Mineral properties		15,000		2,000
Financing costs		165,000		2,000
		483,000		15,000

The operating losses in Canada expire at various dates to 2032.

No deferred tax asset has been recognized in respect of the above as the Company does not have any sources of taxable income and there is uncertainty as to whether the Company will earn taxable income in the future. As a result, it is not currently probably that the benefits of such amounts will be recognized.

8. Segmented Information

The Company has only one reportable operating segment, being mineral property exploration in Canada.

In Canadian Dollars

9. Related Party Transactions

The Company's related parties and key management personnel consist of companies owned by the executive officer and directors as follows:

	Relationship	Nature of Transactions
CDM Capital Partners Inc.	Partially owned and controlled by the director and CFO of the Company	Accounting, Consulting, Office and Administration, Rent and Legal
GRF Consulting Corp.	Owned and controlled by the President and CEO of the Company	Consulting
Spartan Pacific Financial Ltd.	Owned and controlled by the director of the Company	Directors fees
James Dawson	Director	Directors fees

Details of related party transactions and compensation of key management personnel are as follows:

(a) During the year ended September 30, 2012, the Company paid $3,500 (2011: $1,500) in accounting fees, $90,000 (2011: $Nil) consulting fees, $20,000 (2011: $Nil) of office and administration fees, $4,000 (2011: $Nil) of rent expense, $15,000 (2011: $Nil) for legal fees related directly to the IPO, and $15,900 of HST (2011: $180) to CDM Capital Partners Inc.

(b) During the year ended September 30, 2012, the Company paid $90,000 (2011: $Nil) in consulting fees plus HST of $10,800 to GRF Consulting Corp.

(c) During the year ended September 30, 2012, the Company paid/accrued $6,000 (2011: $Nil) in directors fees plus HST of $720 to Spartan Pacific Financial Ltd.

(d) During the year ended September 30, 2012, the Company paid/accrued $6,000 (2011: $Nil) in directors fees to James Dawson.

(e) As at September 30, 2012, there are $3,360 (2011: $Nil) of fees owing to Spartan Pacific Financials Ltd. and $3,000 (2011: $Nil) of fees owing to James Dawson, which are included in accounts payable and accrued liabilities.

(f) As at September 30, 2012, there are $Nil (2011: $10,080) of fees plus HST prepaid to CDM Capital Partners Inc. and $Nil (2011: $8,400) of fees plus HST prepaid to GRF Consulting Corp, which are included in prepaid expenses.

(g) Total fair value of the share-based payments to directors and officers is $85,435 (2011 - $32,308) for the year ended September 30, 2012.

10. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and share purchase warrants. 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, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

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The Company invests all capital that is surplus to its immediate operational needs in liquid, short-term and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

11. Financial Instruments

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	$	420,246
Financial liabilities measured at amortized cost	$	17,653

11. Financial Instruments – *Continued*

a) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at September 30, 2012, the fair values of financial instruments measured on a recurring basis include cash, determined based on level one inputs and consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which include accounts receivable, tax credit receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

b) Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of share subscriptions receivable. Management is of the view that this amount is fully collectible.

(ii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(iii) 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 Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

11. Financial Instruments – *Continued*

b) Management of Risks Arising From Financial Instruments – *Continued*

(iv) Commodity Price Risk – The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.