Financial Statements of

Mountain Lake Minerals Inc.

For the three months ended August 31, 2013 and 2012, the nine months ended August 31, 2013, and the period from incorporation on May 16 to August 31, 2012

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements have been prepared by management of the Company. Management have compiled the condensed interim statement of financial position of Mountain Lake Minerals Inc. as at August 31, 2013 and 2012, the condensed interim statements of loss and comprehensive loss for the three months ended August 31, 2013 and 2012, the nine months ended August 31, 2013, and the period from incorporation on May 16 to August 31, 2012, the condensed interim statement of changes in equity as at August 31, 2013 and 2012, and the condensed interim statement of cash flows for the nine months ended August 31, 2013 and the period from incorporation on May 16 to August 31, 2012. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the August 31, 2013 and 2012 condensed interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

MOUNTAIN LAKE MINERALS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	As at August 31 2013 $	As at November 30 2012 $
ASSETS		
Current assets		
Cash	**137,657**	74,077
Taxes receivable	**9,157**	21,941
Prepaid expenses	**13,612**	25,057
Marketable securities (Note 6)	**235,563**	33,474
	395,989	154,549
Equipment	**31,504**	40,363
Exploration and evaluation assets (Note 7)	**4,189,567**	4,460,418
Total Assets	**4,617,060**	4,655,330
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**193,288**	44,563
Convertible notes (Note 8)	**68,000**	-
Total Liabilities	**261,288**	44,563
SHAREHOLDERS' EQUITY (Note 9)		
Total Shareholders' Equity	**4,355,772**	4,610,767
Total Liabilities and Shareholders' Equity	**4,617,060**	4,655,330

Going concern – Note 2
Subsequent Events – Notes 7, 8 and 12

See accompanying notes to unaudited condensed interim financial statements.

MOUNTAIN LAKE MINERALS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended August 31		Nine months ended August 31	Period from incorporation on May 16 to August 31
	2013	**2012**	**2013**	**2012**
	$	$	$	$
Administration expenses				
Amortization	**266**	406	**797**	406
Management fees	**11,113**	18,082	**81,881**	18,082
Office and general	**7,774**	4,259	**25,287**	4,259
Professional fees	**9,502**	36,122	**63,261**	36,122
Shareholder information and communications	**8,132**	13,698	**73,873**	13,698
Share transfer, listing and filing fees	**6,942**	8,411	**15,939**	8,411
Travel and business development	**1,655**	2,516	**16,582**	2,516
Share-based payments expense	**234**	336,322	**8,157**	336,322
Total Administration Expenses	**45,618**	419,816	**285,777**	419,816
Loss before the following:	**(45,618)**	(419,816)	**(285,777)**	(419,816)
Write-down of exploration and evaluation assets	**(7,500)**	-	**(2,500)**	-
Unrealized gain (loss) on marketable securities	**1,046**	(23,432)	**5,125**	(23,432)
Net loss and comprehensive loss for the period	**(52,072)**	(443,248)	**(283,152)**	(443,248)
Loss per share – basic and diluted (Note 10)	**(0.00)**	(0.03)	**(0.01)**	(0.04)

See accompanying notes to unaudited condensed interim financial statements.

MOUNTAIN LAKE MINERALS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common shares		Warrants	Contributed Surplus	Share-based payments reserve	Deficit	Total Shareholders' Equity
	Number	$	$	$	$	$	$
Balance, November 30, 2012	23,649,997	4,720,322	154,100	-	347,269	(610,924)	4,610,767
Issuance of shares for exploration and evaluation assets	200,000	20,000	-	-	-	-	20,000
Share-based payments	-	-	-	-	8,157	-	8,157
Expiration of warrants	-	-	(29,600)	29,600	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(283,152)	(283,152)
Balance, August 31, 2013	**23,849,997**	**4,740,322**	**124,500**	**29,600**	**355,426**	**(894,076)**	**4,355,772**

	Common shares		Warrants	Contributed Surplus	Share-based payments reserve	Deficit	Total Shareholders' Equity
	Number	$	$	$	$	$	$
Upon incorporation on May 16, 2012	1	-	-	-	-	-	-
Cancellation of initial share	(1)	-	-	-	-	-	-
Issuance of shares for assets (Note 1)	20,309,586	4,382,341	-	-	-	-	4,382,341
Issuance of shares for cash:							
Private placement at $0.20 per share	2,500,001	407,100	92,900	-	-	-	500,000
Share issuance costs	-	(7,919)	-	-	-	-	(7,919)
Settlement of obligations with equity	840,410	168,082	-	-	-	-	168,082
Share-based payments	-	-	-	-	336,322	-	336,322
Net loss and comprehensive loss	-	-	-	-	-	(443,248)	(443,248)
Balance, August 31, 2012	23,649,997	4,949,604	92,900	-	336,322	(443,248)	4,935,578

See accompanying notes to unaudited condensed interim financial statements.

MOUNTAIN LAKE MINERALS INC.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Nine months ended August 31 2013	Period from incorporation on May 16 to August 31 2012
CASH PROVIDED BY (USED IN)	$	$
Operating activities		
Net loss for the period	**(283,152)**	(443,248)
Adjustments for:		
Amortization	**797**	406
Write-down of exploration and evaluation assets	**7,500**	-
Unrealized gain on marketable securities	**(5,125)**	23,432
Share-based payments expense	**8,157**	336,322
	(271,823)	(83,088)
Net change in non-cash working capital balances related to operations		
Decrease in input taxes receivable	**12,784**	(20,075)
Decrease in prepaid expenses	**11,445**	(12,029)
Increase in accounts payable and accrued liabilities	**142,025**	68,086
	(105,569)	(47,106)
Financing activities		
Proceeds from issuance of capital stock – net of issuance costs	**-**	492,081
Proceeds from issuance of convertible notes	**88,000**	-
Repayment of convertible notes	**(20,000)**	-
Proceeds from sale of marketable securities, net	**28,744**	-
Disposition of an interest in an exploration and evaluation asset	**450,000**	-
	546,744	492,081
Investing activities		
Investment in marketable securities	**(225,708)**	-
Exploration and evaluation expenditures	**(151,887)**	(101,804)
	(377,595)	(101,804)
Net change in cash for the period	**63,580**	343,171
Cash – beginning of period	**74,077**	-
Cash – end of period	**137,657**	343,171

See Supplemental cash flow information (Note 11)

See accompanying notes to unaudited condensed interim financial statements.

(Expressed in Canadian dollars)

NOTE 1 – ARRANGEMENT, INCORPORATION AND BASIS OF PRESENTATION

Mountain Lake Minerals Inc. ("Mountain Lake Minerals" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 16, 2012, as a wholly-owned subsidiary of Mountain Lake Resources Inc. ("MLR"). The address of the Company's registered office is Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

On July 9, 2012, MLR, Mountain Lake Minerals and Marathon Gold Corp. ("Marathon") completed an arrangement (the "Arrangement") whereby Marathon acquired all of the outstanding common shares of MLR. Under the Arrangement, MLR's and Marathon's 50% respective interests in the Valentine Lake project were combined, resulting in Marathon becoming the 100% owner of the project. As part of the Arrangement, Mountain Lake Minerals, the newly incorporated exploration company, acquired the Glover Island, Little River, Bobby's Pond, Goodwin Lake and Hong Kong claims, related equipment, and an investment in Rockwell Diamonds Inc. ("RDI") at a purchase price of $4,382,341 in exchange for the issuance of 20,309,586 common shares to MLR, 840,410 common shares to settle an obligation to employees and consultants of $168,082, and the following warrants ("Arrangement Warrants") at a fair value of $61,200: 689,655 warrants at an exercise price of $0.32 (which expired unexercised on June 22, 2013) and 620,000 warrants at an exercise price of $0.30 (which expired unexercised on September 13, 2013). Following the acquisition of the assets outlined above, the shareholders of MLR received 0.40 Marathon common shares for each share held and 0.40 Mountain Lake Minerals common shares for every share held. This distribution of Mountain Lake Minerals common shares to the shareholders of MLR resulted in the distribution of all of the shares of the Company owned by MLR.

The Arrangement did not meet the definition of a business in accordance with IFRS 3: Business Combinations, as there were no established reserves for the acquired properties and the nature of the additional work to convert resources into reserves. As the assets were obtained in exchange for shares, the transaction is a share-based payment and was accounted for in accordance with the guidance in IFRS 2. As such, the fair value of the acquired assets, including direct transaction costs of $8,800, was determined to be as follows:

	$
Marketable securities	70,295
Equipment	47,046
Exploration and evaluation assets	4,273,800
	4,391,141

NOTE 2 – NATURE OF OPERATIONS AND GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

The Company was incorporated on May 16, 2012 and commenced principal operations on July 9, 2012. The Company has a net loss to date of $894,076 and working capital of $134,701 at August 31, 2013. The recoverability of amounts shown for exploration and evaluation assets and the Company's continued viability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its interests. The ability to raise capital is outside of the Company's control. If the Company does not raise sufficient capital, it may not be able to continue as a going concern and therefore realize its assets and discharge its liabilities in the normal course of business.

There is substantial doubt as to the Company's ability to continue as a going concern. The Company has experienced losses since incorporation and negative cash flow from operations. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or monetizing assets, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be successful.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements and accompanying notes for the period ended November 30, 2012. These unaudited condensed interim financial statements have been prepared using the same accounting policies and judgments and estimates as described in the Company's November 30, 2012 annual financial statements.

a) Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors on October 28, 2013.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for cash and marketable securities which are measured at fair value.

c) Functional and presentation currency

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

d) New and revised IFRSs in issue but not effective:

The following standards are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, unless otherwise disclosed. The Company is currently evaluating the impact of these new standards, but they are not anticipated to have a significant impact on the Company.

Financial Instruments

The IASB has issued a new standard, IFRS 9 (2010), Financial Instruments, which will ultimately replace IAS 39, Financial Instruments – Recognition and Measurement and augments the previously issued IFRS 9 (2009). The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. This standard becomes effective for fiscal years beginning on or after January 1, 2015.

Consolidated Financial Statements

The IASB issued IFRS 10, Consolidated Financial Statements on May 12, 2011 to replace the current IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. The new standard identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

Joint Arrangements

The IASB issued IFRS 11, Joint Arrangements on May 12, 2011 to replace the current IAS 31, Interests in Joint Ventures. The new standard classifies joint arrangements as either joint ventures or joint operations. Interests in joint ventures will be accounted for using equity accounting, eliminating the proportionate consolidation option currently available under IAS 31.

Disclosure of Interest in Other Entities

On May 12, 2011 the IASB issued IFRS 12, Disclosure of Interest in Other Entities. This standard establishes disclosure requirements for interests in other entities, including joint arrangements, associates, special purpose entities and other off balance sheet entities.

Fair Value Measurement

The IASB issued IFRS 13, Fair Value Measurement on May 12, 2011. This is a comprehensive standard for fair value measurement and disclosure of fair value measurements across various IFRS standards. IFRS 13 provides a definition of fair value, sets out a single IFRS framework for measuring fair value, and outlines requirements for disclosure of fair value measurements.

Offsetting Financial Assets and Financial Liabilities

On December 16, 2011 the IASB published amendments to International Accounting Standard 32, Financial Instruments: Presentation ("IAS 32"), to clarify the application of the offsetting requirements. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

On December 16, 2011 the IASB published new disclosure requirements jointly with the Financial Accounting Standards Board ("FASB") that enables users of the financial statements to better compare financial statements prepared in accordance with IFRS and US Generally Accepted Accounting Principles.

Other Standards

The IASB amended IAS 19, Employee Benefits, with changes effective for fiscal years beginning on or after January 1, 2013.

NOTE 4 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. The Company's definition of capital is shareholders' equity, which as at August 31, 2013 was $4,355,772.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

NOTE 5 – FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities, and convertible notes. Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash is designated as held-for-trading and measured at fair value. Marketable securities are carried at fair value as it is comprised of common shares in a publicly-traded company which have a quoted market price in an active market. Accounts payable and accrued liabilities and convertible notes are designated as other financial liabilities and measured at amortized cost. The recorded values of all financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 2). The Company's accounts payable and accrued liabilities and convertible notes are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at August 31, 2013, the Company has cash of $137,657 to settle current liabilities of $261,288 (see Notes 8 and 12 for arrangements to settle liabilities). To maintain the leases on its mineral properties, the Company has payment obligations of approximately $173,000 over each of the next nine years.

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

NOTE 6 – MARKETABLE SECURITIES

Marketable securities are comprised of 46,368 common shares of RDI and 3,500,000 common shares of Minco plc, both publicly-traded companies. The fair value of the common shares is based on the market price of the common shares at the reporting date.

NOTE 7 – EXPLORATION AND EVALUATION ASSETS

Property Description	Balance, November 30, 2012	Expenditures	Dispositions	Option payments	Write-downs	Balance, August 31, 2013
Glover Island	2,954,550	172,210	-	-	-	3,126,760
Little River	821,156	6,939	-	-	-	828,095
Bobby's Pond	684,712	-	(450,000)	-	-	234,712
Other	-	27,500	-	(25,000)	(2,500)	-
	4,460,418	206,649	(450,000)	(25,000)	(2,500)	4,189,567

On July 9, 2012, the Company, Marathon and MLR completed the Arrangement described in Note 1, which resulted in the Company acquiring the Glover Island, Bobby's Pond, Little River, Goodwin Lake, and Hong Kong claims. The acquired assets were recorded at fair value as described in Note 1.

Glover Island, Newfoundland and Labrador, Canada

The Company has an undivided 100% interest in the Glover Island Property, a gold exploration property in Newfoundland and Labrador consisting of mineral licenses and a mining lease. The property is subject to a net smelter returns royalty ("NSR") of 1% of commercial production, which reduces to 0.5% after the payment of the first $1.0 million. The NSR becomes effective after payment of the South Coast Royalty. The South Coast Royalty is a 3% NSR paid either from production of the Glover Island property or the production of certain other mineral interests known as the Pine Cove property (held and operated by Anaconda Mining Inc.) to an aggregate of $3.0 million. On April 20, 2013, the Company made a payment of $154,000 which maintains the Glover Island mining lease to April, 2014.

Little River, Newfoundland and Labrador, Canada

The Company has a 100% interest in 382 mineral claims in Newfoundland and Labrador. The Optionors retain a 2% net smelter return royalty and the Company has the exclusive right and option to acquire 1% of the net smelter return royalty for $1.5 million.

Bobby's Pond, Newfoundland and Labrador, Canada

The Company held a 100% interest in a mining lease known as the Bobby's Pond property located in Central Newfoundland and Labrador. The property is subject to a 2% net smelter royalty. On July 29, 2013, the Company entered into an agreement (the "Bobby's Pond Agreement"), whereby Centrerock Mining Limited ("Centrerock"), a wholly owned subsidiary of Minco plc (AIM

(Expressed in Canadian dollars)

Market: MIO) ("Minco"), will acquire a 100% interest in the Bobby's Pond property in two phases. Under the terms of the Bobby's Pond Agreement, Centrerock acquired a 75% interest in the property for a cash payment of $450,000 and a 1% net smelter return royalty ("NSR") on commercial production in favor of Mountain Lake. Centrerock has the right to acquire the remaining 25% of the property, subject to fulfilling certain conditions, for a one-time further payment of $175,000 to Mountain Lake. Centrerock is the operator of the property and has agreed to incur $150,000 in exploration expenditures on the property by July 31, 2014. In conjunction with the Bobby's Pond Agreement, the Company entered into an agreement with Minco to subscribe for 3,500,000 new ordinary shares of Minco at £0.04 per share. The shares were acquired for cash of $225,708.

Other Properties

Goodwin Lake Claims, New Brunswick, Canada

The Company holds a 100% interest in the Goodwin Lake mineral claims, subject to a 2% net smelter return royalty ("NSR"). In February, 2013, the terms of the Goodwin Lake agreement were amended such that the Company agreed to pay a fee of $20,000, payable in common shares of the Company, all of which have been issued, for the right to acquire one-half of the NSR for $1.0 million.

In February, 2013, the Company entered into an agreement granting Votorantim Metals Canada Inc. ("Votorantim") an option to earn a 70% interest in the Goodwin Lake nickel-zinc property. Votorantim can earn the 70% interest in the property by making cash payments of $325,000 and incurring exploration expenditures of $1,550,000 as follows:

Date	**Cash Payments**	**Exploration Expenditures**
Upon execution	$25,000 (received)	-
March 31, 2014	$75,000	$50,000
March 31, 2015	$100,000	$250,000
March 31, 2016	$125,000	$500,000
March 31, 2017	-	$750,000
	$325,000	$1,550,000

Votorantim may, at any time and from time to time, accelerate its funding of expenditures and the option payments. Votorantim has also been granted an additional option, for 120 days after earning its 70% interest, to acquire the remaining interest in the property by paying $100,000 for each full 1% interest to be acquired (up to a maximum of $3,000,000) for the remaining 30% interest held by the Company.

Hong Kong Claims, Ontario, Canada

The Company has a 41.8% interest in a mineral property known as Hong Kong Claims in Ontario. At this time the Company and the other owner have decided not to carry out further exploration. Ongoing maintenance costs are expensed as incurred.

NOTE 8 – CONVERTIBLE NOTES

On April 17, 2013, the Company received gross proceeds of $88,000 pursuant to an interim bridge loan financing (the "Convertible Notes") from various directors, officers, and other private investors. The Convertible Notes are non-interest bearing and mature on September 30, 2013. If the Convertible Notes are not repaid by September 30, 2013, then the Convertible Notes will be converted into common shares of the Company, at the sole election of the Company, at a conversion price of $0.025 per share. During the quarter, $20,000 of Convertible Notes were repaid in cash. The remaining outstanding balance of $68,000 will be settled by cash payments of $2,000 and the issuance of 2,640,000 common shares.

NOTE 9 – SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares without par value.

On February 25, 2013 the Company issued 100,000 common shares pursuant to an amendment of the NSR agreements on its Goodwin Lake property.

On April 24, 2013 the Company issued 100,000 common shares pursuant to an amendment of the NSR agreements on its Goodwin Lake property.

(Expressed in Canadian dollars)

Stock Options

The Company has a Stock Option Plan (the "Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

Details of the outstanding share purchase options at August 31, 2013 are as follows:

Expiry Date	Weighted Average Exercise Price	Number of Shares Outstanding And Fully Vested
March 17, 2014	$0.31	140,000
October 30, 2017	$0.20	2,025,000
	$0.21	2,165,000

Warrants

Details of the outstanding share purchase warrants at August 31, 2013 are as follows:

Expiry Date	Exercise price per share	Number of Shares
July 9, 2014	$0.30	1,250,000

Pursuant to the Arrangement, there are Arrangement Warrants outstanding at August 31, 2013 as follows:

Expiry Date	Exercise price per share	Number of Shares
September 13, 2013	$0.30	620,000

During the quarter, 689,655 Arrangement Warrants at an exercise price of $0.32 expired unexercised.

NOTE 10 – LOSS PER SHARE

Basic loss per share is calculated based on the weighted average number of shares outstanding during the three and nine months ended August 31, 2013 of 23,849,996 and 23,763,865 respectively. Diluted earnings per share is based on the assumption that dilutive options under the stock option plan have been exercised on the later of the beginning of the period and the date granted. Basic and diluted loss per share are equal for the periods presented as all outstanding options and warrants were anti-dilutive.

NOTE 11 – SUPPLEMENTAL CASH FLOW INFORMATION

The following is the supplementary disclosure of non-cash activities during the nine months ended August 31, 2013 and the period from incorporation on May 16 to August 31, 2012:

	2013	**2012**
	$	$
Shares issued for exploration and evaluation assets	20,000	4,265,000
Shares issued for equipment	-	47,046
Shares issued for marketable securities	-	70,295
Shares issued for settlement of obligations	-	168,082
Fair value of warrants issued	-	92,900
Amortization charged to exploration and evaluation assets	8,062	2,267
Change in accounts payable for exploration and evaluation assets	6,700	-

NOTE 12 – SUBSEQUENT EVENTS

On October 28, 2013, the Company announced that it has settled an aggregate of $91,805 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of 2,623,014 common shares at a deemed issuance price of $0.035 per common share.

On September 13, 2013, 620,000 Arrangement Warrants at an exercise price of $0.30 expired unexercised.