PARKSIDE RESOURCES CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 30, 2014 AND 2013

(EXPRESSED IN CANADIAN DOLLARS)

Wasserman Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Parkside Resources Corporation:

We have audited the accompanying financial statements of Parkside Resources Corporation, which comprise the statements of financial position as at September 30, 2014 and 2013 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, 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 these 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 audits 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 entity'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, the financial statements present fairly, in all material respects, the financial position of Parkside Resources Corporation and its subsidiary as at September 30, 2014 and 2013 and the results of its operations, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Wasserman Ramsay

Chartered Accountants
Licensed Public Accountants

Markham, Ontario
October 27, 2015

Parkside Resources Corporation
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at September 30, 2014	As at September 30, 2013
ASSETS		
Current assets		
Cash	$ **-**	$ 3,695
Short-term investment	**10,000**	10,000
Prepaid expenses	**1,000**	716
Taxes receivable	**1,637**	-
	12,637	14,411
Equipment and furniture (note 4)	**526**	752
Exploration and evaluation assets (note 5)	**623,062**	1,064,132
Total assets	$ **636,225**	$ 1,079,295
EQUITY AND LIABILITIES		
Current liabilities		
Bank overdraft	$ **2,978**	$ -
Accounts payable and accrued liabilities	**510,219**	331,262
Taxes payable	**-**	596
Due to related parties (note 6)	**123,946**	196
	637,143	332,054
Capital and reserves		
Share capital (note 9)	**1,687,218**	1,671,769
Warrants (note 11)	**908,312**	882,935
Other reserves	**218,388**	200,293
Deficit	**(2,814,836)**	(2,007,756)
Total equity	**(918)**	747,241
Total equity and liabilities	$ **636,225**	$ 1,079,295

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)
Subsequent events (note 16)

Approved on behalf of the Board:

"Richard Goldman"
Richard Goldman, President & CFO

"Donald Goldman"
Donald Goldman, Chairman & Director

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

Parkside Resources Corporation
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended September 30, 2014	2013
Expenses		
Advertising and promotion	**$ 21,570**	$ 90,464
Consulting fees	**41,925**	66,228
Depreciation	**226**	1,378
Filing and regulatory	**28,579**	31,472
Management fees (note 6)	**125,953**	171,547
Office and general	**50,946**	105,643
Professional fees	**69,786**	78,864
Share-based payments	**18,095**	71,470
Loss on sale of equipment and furniture	**-**	2,289
	357,080	619,355
Net loss for the year before undernoted Item	**(357,080)**	(619,355)
Write-down of mineral property (note 5(i))	**(450,000)**	-
Net loss and comprehensive loss for the year	**$ (807,080)**	$ (619,355)
Basic and diluted net loss per share (note 8)	**$ (0.03)**	$ (0.02)
Weighted average number of common shares outstanding	**27,471,552**	25,400,002

The accompanying notes form an integral part of these financial statements

Parkside Resources Corporation
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended September 30, 2014	2013
Operating activities		
Net loss for the year	**$ (807,080)**	$ (619,355)
Adjustments for:		
Depreciation	**226**	1,378
Share-based payments	**18,095**	71,470
Write-down of mineral properties	**450,000**	-
Loss on sale of equipment and furniture	**-**	2,289
Non-cash working capital items:		
Prepaid expenses	**(284)**	6,371
Taxes receivable	**(2,233)**	25,499
Amounts payable and accrued liabilities	**178,957**	261,983
Due to related parties	**123,750**	(2,639)
Net cash used in operating activities	**(38,569)**	(253,004)
Investing activities		
Acquisition of exploration and evaluation assets	**(8,930)**	(639,152)
Purchase of short-term investment	**-**	(10,000)
Proceeds from disposition of equipment and furniture	**-**	1,000
Net cash used in investing activities	**(8,930)**	(648,152)
Financing activities		
Shares issued for cash, net of share issue costs	**40,826**	196,434
Warrants issue for cash	-	260,399
Net cash provided by financing activities	**40,826**	456,833
Net change in cash	**(6,673)**	(444,323)
Cash, beginning of year	**3,695**	448,018
Cash (overdraft), end of year	**$ (2,978)**	$ 3,695

(Also see note 3)

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

Parkside Resources Corporation
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital	Warrants	Other reserves	Deficit	Total
Balance, September 30, 2012	**$ 1,502,923**	**$ 594,948**	**$ 128,823**	**$(1,388,401)**	**$ 838,293**
Private placements	254,161	260,399	-	-	514,560
Share issue costs	(85,315)	27,588	-	-	(57,727)
Share-based payments	-	-	71,470	-	71,470
Net loss and comprehensive loss for the period	-	-	-	(619,355)	(619,355)
Balance, September 30, 2013	**$ 1,671,769**	**$ 882,935**	**$ 200,293**	**$(2,007,756)**	**$ 747,241**
Private placements	46,020	24,327	-	-	70,352
Share issue costs	(30,571)	1,050	-	-	(29,526)
Share-based payments	-	-	18,095	-	18,095
Net loss and comprehensive loss for the period	-	-	-	(807,080)	(807,080)
Balance, September 30, 2014	**$ 1,687,218**	**$ 908,312**	**$ 218,388**	**$(2,814,836)**	**$ (918)**

The accompanying notes form an integral part of these financial statements

1. Nature of operations and going concern

Parkside Resources Corporation (the "Company") was incorporated on November 21, 2005 under the Business Corporations Act of British Columbia. The Company is a junior resource exploration and development company and is in the exploration stage. The Company's principle asset is a mineral property which the Company has optioned, and which is not yet in commercial production. The Company has not determined whether or not its property contains economically recoverable resources. The primary office of the Company is located at 6 Beaufield Avenue, Toronto, Ontario, M4G 3R3.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2014, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital deficit of $624,506 (2013 - $317,643), and has incurred losses since inception, resulting in an accumulated deficit of $2,814,836 (2013 - $2,007,756). The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the statement of financial position classifications would be necessary as these adjustments could be material.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Significant accounting policies

(a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective or available for early adoption as of September 30, 2014.

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, income and expenses. Actual results may differ from these estimates.

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements.

These financial statements are approved by the Board of Directors on October 27, 2015.

2. Significant accounting policies (continued)

(b) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs and subsequently accounted for at amortized cost, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.
Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

• loans and receivables
• financial assets at fair value through profit or loss
• held-to-maturity investments
• available-for-sale financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within ‘office and general’, or 'finance income', except for impairment of trade receivables which is presented within 'other expenses'.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, short-term investment and taxes receivable fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets (continued)

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold any investments designated into this category.

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale investments
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company does not hold any available-for-sale financial assets.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognized in profit or loss within 'finance income'.

Reversals of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

Financial liabilities

The Company's financial liabilities include amounts payable and accrued liabilities, taxes payable and due to related parties.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held-for-trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within ‘office and general expenses’ or 'finance income'.

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow of the investment has been impacted. For unlisted shares classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial liabilities (continued)
For all other financial assets objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or
• default of delinquency in interest or principal payments; or
• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, deposits and prepayments, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment loses previously recognized through profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

The Company does not have any derivative instruments.

Fair value hierarchy:

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(c) Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and investments in financial instruments with initial maturities within three months, held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. The Company did not have any cash equivalents as of September 30, 2014 and 2013.

2. Significant accounting policies (continued)

(d) Equipment and furniture

Equipment and furniture is measured at historical cost less accumulated depreciation and impairment over its expected useful life as follows:

Equipment and furniture - 30% declining balance

Each asset is reviewed for impairment annually, consisting of a comparison of the fair value of the asset and its carrying value.

(e) Exploration and evaluation assets

Exploration and evaluation assets include the costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. The Company follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and crediting all revenue received against the cost of related claims. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The aggregate costs related to abandoned mineral climes are charged to operations at the time or any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is depended on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Impairment

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair values less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value to their present value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less that its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates.

2. Significant accounting policies (continued)

(f) Impairment (continued)

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(g) Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment or write downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance expense (“notional interest”).

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

(i) Environmental rehabilitation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

2. Significant accounting policies (continued)

(j) Flow-through financing

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow-through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

(k) Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers, employees and services providers. The Board of Directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense or charged to mineral properties as appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

(l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares

2. Significant accounting policies (continued)

(m) Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

(n) Operating expenses

Operating expenses are recognized in profit and loss upon utilization of the services or at the date of their origin.

(o) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

2. Significant accounting policies (continued)

(p) Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has only one single reportable operating segment.

(q) Significant accounting judgments and estimates

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

Significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following:

- The estimated useful lives of equipment and furniture which are included in the statement of financial position and the related depreciation included in the statement of loss and comprehensive loss for the year ended September 30, 2014;
- The inputs used in accounting for share purchase option expense in the statement of loss and comprehensive loss;
- The provision for income taxes which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statement of financial position at September 30, 2014.
- The determination of categories of financial assets and financial liabilities;
- The determination of a cash generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

(r) New accounting policies

Adoption of New and Revised Standards and Interpretations

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods on or after January 1, 2014. Many are not applicable or do not have a significant impact on the Company.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. Management has adopted this standard in the Company's financial statements for the period beginning April 1, 2014, and has determined that there is no impact on the financial statements.

2. Significant accounting policies (continued)

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Company's accounting periods beginning on April 1, 2015 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The amendments to IFRS 9 are effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company has yet to assess the full impact of IAS 1 on its financial statements.

3. Cash held for future exploration

During the year ended September, 2014, the Company completed various private placements of 517,500 flow-through units for gross proceeds of $31,020. The Company spent $8,930 of these funds on exploration activities leaving a balance of $22,090 to be spent on CEE as at September 30, 2014. Subsequent to the year end an additional $19,961 was spent on CEE leaving a balance of $2,129 to be spent. The Company has 2 years from the time it raised the flow-through funds to spend it on CEE.

During the year ended September, 2013, the Company completed various private placements of 3,881,500 flow-through units for gross proceeds of $448,280. The Company spent the full amount of these funds on exploration activities leaving a balance of $nil to be spent on CEE.

(Expressed in Canadian Dollars)

4. Equipment and furniture

Cost		
Balance, September 30, 2012	$	7,681
Disposal		(6,063)
Balance, September 30, 2013 and 2014	$	1,618
Accumulated depreciation		
Balance, September 30, 2012	$	2,262
Depreciation		1,378
Disposal		(2,774)
Balance, September 30, 2013		866
Depreciation		226
Balance, September 30, 2014	$	1,092
Carrying value		
Balance, September 30, 2013	$	752
Balance, September 30, 2014	$	526

5. Exploration and evaluation assets

(i) Forester Lake Gold Property

In 2011, the Company entered into an option agreement to acquire a 60% interest in the Forester Lake Gold Property from Benton Resources Corp. ("BTC") based on making the following:

(a) Cash payments to BTC totalling $50,000 by the 2nd anniversary of the Option Agreement.(paid):
(b) Expensing a minimum of $300,000 in exploration expenditures on the Property over three (3) years with a minimum of $100,000 in each twelve (12) month period following the Option Agreement. The Company can expend these amounts on an accelerated time scale at their discretion. The Company incurred in excess of $150,000 in 2011 fiscal year, over $130,000 in 2012 fiscal year and over $580,000 in the prior year.
(c) Issue a total of 1,000,000 common shares to BTC (issued).

The Company can earn an additional 10% for a total interest in the Property of 70% by spending an additional $700,000 in exploration over a three (3) year period following the completion of the conditions above.

During the prior year the Company had fulfilled its obligations for the initial 60% interest under the Option Agreement and has also given notice to BTC that it will acquire the final 10% interest. As at September 30, 2014 the Company had spent a total of $520,863 (2013- $501,298) towards the $700,000 requirement for the final 10% interest.

The common shares issued to BTC (deemed value of share consideration) were recorded at a price of $0.10 per common share. Contingent with the above, BTC agreed to participate in a private placement as to 1,000,000 common shares at $0.05 (completed) and 1,000,000 flow-through common shares at $0.15 (completed).

During the current year management wrote-down the carrying value for the Forester Lake property by $450,000. Despite the fact that the twenty mining property claims that comprise the Forester Lake property are in good standing through at least February 2017, and the goal of management is to be able to raise sufficient capital to be able to continue to advance the property through drilling and further exploration, management has written down the property to reflect the current state of the capital markets for junior exploration companies.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

(ii) Savant and Wiggle Creek Properties

On August 4, 2014 the Company entered into an option agreement to acquire 100% interest in certain unpatented mining claims known as the Savant and Wiggle Creek Properties situated in the townships of McCubbin and Poisson, Patricia Mining Division in the province of Ontario from 5 individuals ("Optionors") based on the following considerations:

(a) Cash payments totalling $100,000 to be paid to the Optionors (on a pro-rata basis in accordance with their respective Optionors' ownership interest) as follows $15,000 on first anniversary of the effective date, $25,000 on second anniversary, $25,000 on the 3rd anniversary and the final $35,000 on the fourth anniversary date of the effective date;.
(b) Issuance of 400,000 common shares and 400,000 warrants to the Optionors (on a pro-rata basis in accordance with their respective Optionors' ownership interest) within five business days of Regulatory Approval ("effective date"). The warrants will have a term of 3 years and exercisable at escalating prices of $0.05 per warrant in the first year, at price of $0.10 per warrant in the second year and $0.15 per warrant in the third year;
(c) The Optionors retains a royalty of 2% Net Smelter Returns ("NSR") on the properties. .

Subsequent to the year end the Company obtained Regulatory approval for the option agreement and issued the 400,000 common shares and 400,000 warrants in accordance with the option agreement. The Company also subsequently sold its interest in the Option Agreement for a price of $42,500 and a 1% Royalty on the two properties for $20,000 (see note 16).

The carrying value of exploration and evaluation assets consists of:

	As at September 30, 2014	As at September 30, 2013
Acquisition costs:		
Deemed value of shares consideration	**$ 100,000**	$ 100,000
Option payments	**50,000**	50,000
Claims staked	**22,665**	22,665
	172,665	172,665
Deferred exploration expenditures		
Line cutting	**186,181**	186,181
Exploration drilling	**445,655**	445,655
Geological reports	**22,729**	22,729
Mobilization	**56,241**	56,241
Consulting	**151,437**	142,507
Survey	**29,078**	29,078
Other	**9,076**	9,076
Write–down of deferred exploration expenditures	**(450,000)**	-
	450,397	891,467
Exploration and evaluation assets	**$ 623,062**	$ 1,064,132

(Expressed in Canadian Dollars)

6. Related party transactions

During the years ended September 30, 2014 and 2013, the Company paid or accrued the following amounts to related parties:

Related party	Item	Year ended September 30, 2014	2013
Key management personnel	Management fees (i)	**$ 125,953**	$ 171,547
	Share-based payments (i)(ii)	**$ 11,640**	$ 61,144

The Company had the following related party transactions during the year:

(i) During the year ended September 30, 2014 management fees of $155,952 (2013 - $171,547) were paid.

- During the year ended September 30, 2014, $88,453 (2013 - $91,547) was paid to Richard Goldman, President, Chief Financial Officer and director, for services rendered, pursuant to a management agreement. Share-based payments of $2,209 (2013 - $18,550) were expensed during the year. Included in due to related parties is $76,840 (2013 - $196) due to Mr. Richard Goldman at September 30, 2014.

- During the year ended September 30, 2014 management fees of $30,000 (2013 - $nil) was paid to John David Mason for his services as Interim President and Interim Chief Executive Officer (“CEO”) pursuant to a consulting agreement. This amount is included in amounts due to related parties in the amount of $34,631 as at September 30, 2014.

- During the year ended September 30, 2014, management fees of $7,500 (2013 - $nil) was paid to Marie Josee Audet of Marrelli Support Services for services rendered as Chief Financial Officer (“CFO”). Share-based payments of $1,821 (2013 - $nil) were expensed during the year. Included in Accounts payable and accrued liabilities is $8,475 (2013 - $nil) due to Marrelli Support Services related to these management fees. Subsequent to the year end Ms. Audet resigned as CFO and Mr. Richard Goldman was appointed as the new CFO of the Company.

- During the year ended September 30, 2014 $nil (2013- $80,000) was paid to Donald Goldman for his services as President and CEO.in fiscal year 2013. Mr. Goldman resigned as President and CEO in 2014 but remains as a director of the Company. Share based payments of $2,209 (2013 - $6,957) were expensed during the year. Included in due to related parties is $4,000 (2013 - $nil) due to Mr. Goldman as at September 30, 2014.

(ii) During the year ended September 30, 2014, share-based payments of $5,401 (2013 - $28,680) were expensed during the year for options granted to George Kokonis, James Macintosh and Clinton Barr, former directors of the Company. Mr. Clinton Barr resigned as director of the Company in October 2013 and therefore no share based payments were expensed in current year related to him. Mr. Macintosh and Mr. Kokonis resigned as directors subsequent to year end.

(iii) To the knowledge of the directors and officers of the Company as of September 30, 2014 5,000,000 common shares or 18.04% of the outstanding shares of the Company were held by Benton Resources Inc. The remaining 81.96% of the shares were widely held except for small positions held by directors and officers of the Company. These holdings can change at any time at the discretion of the owners.

The above transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

(Expressed in Canadian Dollars)

7. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of natural gas and petroleum properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its exploration activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend 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 feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The capital structure of the Company consists of equity comprised of share capital, warrants, other reserves and deficit. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate

8. Net loss per common share

The calculation of basic and diluted loss per share for the year ended September 30, 2014 was based on the loss attributable to common shareholders of $807,080 (2013 - $619,355) and the weighted average number of common shares outstanding of 27,471,552 (2013 – 25,400,002). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

9. Share capital

a) Authorized share capital
Unlimited number of common shares without par value.

b) Common shares issued

	Number of common shares		**Amount**
Balance, September 30, 2012	22,000,001	$	1,502,923
Private placements - common shares (ii)(iii)	968,000		66,280
Private placements - flow-through shares (i)(ii)(iii)	3,881,500		448,280
Warrants issued (i)(ii)(iii)(iv)	-		(260,399)
Broker warrants issued (i)(ii)(iii)(iv)	-		(27,588)
Share issue costs	-		(57,727)
Common shares incorrectly issued (v)	45,500		-
Balance, September 30, 2013	**26,895,001**	**$**	**1,671,769**
Private placements - common shares (vi)(vii)	300,000		15,000
Private placements - flow-through shares (vi)(vii)	517,000		31,020
Warrants issued (vi)(vii)	-		(24,328)
Broker warrants (vi)	-		(1,050)
Share issue costs - cash	-		(5,193)
Balance, September 30, 2014	**27,712,001**	**$**	**1,687,218**

9. Share capital (continued)

(i) On October 29, 2012, the Company issued 2,417,000 flow-through common share units at $0.12 per unit for gross proceeds of $290,040. Each flow-through unit consists of one flow-through common share and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.20 per common share until April 29, 2015. In connection with the offering, Macquarie Private Wealth Inc. received a cash fee of $29,004 and was issued 241,700 agent's options. Each agent's option is exercisable to purchase one common share at a price of $0.10 until April 29, 2015.

A value of $151,546 was estimated for the 2,417,000 warrants and $19,844 for the 241,700 broker warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.11%; and an expected average life of 2.5 years.

(ii) On December 31, 2012, the Company issued 1,027,000 flow-through common share units at $0.12 per unit for gross proceeds of $123,240. Each flow-through common share unit consists of one flow-through common share and one common share purchase warrant. The Company also issued 205,000 units at $0.10 per unit for gross proceeds of $20,500. Each unit consists of one common share and common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.20 per common share until June 30, 2015. In connection with the offering, Macquarie Private Wealth Inc. received a cash finder's fee of $3,804 and was issued 31,700 finder's warrants and Accilent Capital Management Inc. received a cash finder's fee of $5,250 and was issued 43,750 finder's warrants. Each finder's warrant is exercisable to purchase one common share at a price of $0.13 until June 30, 2015.

A value of $60,368 was estimated for the 1,232,000 warrants and $4,482 for the 75,450 broker warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.14%; and an expected average life of 2.5 years.

On January 15, 2013, the Company paid an additional finder's fee of $1,050 to Macquarie Private Wealth Inc., and issued 10,500 finder's warrants and paid an additional finder's fee of $714 to Canaccord Genuity Corp. and issued 5,950 finder's warrants. Each finder's warrants is exercisable to purchase one common share at a price of $0.13 until July 11, 2015.

A value of $987 was estimated for the 16,450 finder's warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.19%; and an expected average life of 2.5 years.

(iii) On June 17, 2013, the Company issued 437,500 flow-through common share units at $0.08 per unit for gross proceeds of $35,000. Each flow-through common share unit consists of one flow-through common share and one common share purchase warrant. The Company also issued 263,000 units at $0.06 per unit for gross proceeds of $15,780. Each unit consists of one common share and common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.12 per common share until June 18, 2015. In connection with the offering, the broker received a cash finder's fee of $3,500 and was issued 43,750 finder's warrants. Each finder's warrant is exercisable to purchase one common share at a price of $0.10 until June 18, 2015.

A value of $23,985 was estimated for the 700,500 warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.11%; and an expected average life of 2 years.

A value of $1,050 was estimated for the 43,750 Finder's Warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.11%; and an expected average life of 2 years.

9. Share capital (continued)

(iv) On August 23, 2013, the Company issued 500,000 common shares at $0.06 per unit for gross proceeds of $30,000. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.10 per common share until August 23, 2018. In connection with the offering, the broker received a cash finder's fee of $1,500 and was issued 25,000 finder's warrants. Each finder's warrant is exercisable to purchase one common share at a price of $0.10 until August 23, 2018.

A value of $24,500 was estimated for the 500,500 warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.94%; and an expected average life of 5 years.

A value of $1,225 was estimated for the 25,000 Finder's Warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.94%; and an expected average life of 5 years.

(v) During the prior year 45,500 common shares was issued incorrectly. The Company expects to cancel these common shares subsequent to this year end..

(vi) On December 31, 2013, the Company issued 417,000 flow-through common share units at $0.06 per unit for gross proceeds of $25,020. Each flow-through common share unit consists of one flow-through common share and one common share purchase warrant. Each flow-through share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.12 per common share until December 31, 2018. The Company also issued 200,000 units at $0.05 per unit for gross proceeds of $10,000. Each unit consists of one common share and common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.10 per common share until December 31, 2018. In connection with the offering, the broker received a cash finder's fee of $1,751 and was issued 29,190 broker's warrants. Each broker's warrant is exercisable to purchase one common share at a price of $0.06 until December 31, 2018. Legal and filing fees totaling $1,942 was incurred related to this private placement.

A value of $19,527 was estimated for the 617,000 warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.63%; and an expected average life of 5 years.

A value of $1,050 was estimated for the 29,190 Broker's Warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.63%; and an expected average life of 5 years.

(vii) On March 4, 2014, the Company issued 100,000 flow-through common share units at $0.06 per unit for gross proceeds of $6,000. Each flow-through common share unit consists of one flow-through common share and one common share purchase warrant. Each flow-through share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.12 per common share until March 4, 2019. The Company also issued 100,000 units at $0.05 per unit for gross proceeds of $5,000. Each unit consists of one common share and common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.10 per common share until March 4, 2019.

A value of $4,800 was estimated for the 200,000 warrants on the date of issue using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.63%; and an expected average life of 5 years. Legal fees of $1,500 was incurred related to this private placement.

(Expressed in Canadian Dollars)

10. Stock options

The Board of Directors has approved a Stock Option Plan for directors and officers. Pursuant to the Stock Option Plan, options granted shall not exceed 10% of the number of Common Shares outstanding at the time of grant. The exercise price as determined by the Board in its sole discretion, must not be lower than the closing price of the Company's Common Shares traded through the facilities of the Exchange on the day preceding the date the Option is granted, less any discount permitted by the Exchange, or such other price as may be determined in accordance with the Stock Option Plan and the requirements of the Exchange, on which the shares are listed for trading.

The Board may not grant options to any one person in any one yaer period which will, when exercised, exceed 5% of the issued and outstanding common shares or to any one consultant or to any one person employed by the Company who performs investor relations services within any one year period shall exceed 2% of the issued and outstanding common shares at the time of the grant. Exchange policies require that the aggregate number of options granted to persons performing investor relations activities not exceed 2% of the issued and outstanding shares of the Company. Options are non-transferable and non-assignable. The Options vest as to 15% immediately and 25% from 90 days , 180 days and 270 days following the date of grant.

The following table reflects the continuity of stock options for the years ended September 30, 2014 and 2013:

	Number of stock options	Weighted average exercise price ($)
Balance, September 30, 2012	2,200,000	0.10
Granted (i)(ii)	250,000	0.11
Balance, September 30, 2013	**2,450,000**	**0.10**
Granted (iii)(iv)(v)(vi)	925,000	0.11
Expired	(644,600)	0.10
Balance, September 30, 2014	**2,730,400**	**0.08**

(i) On February 15, 2013, the Company granted 150,000 stock options to a director to acquire common shares of the Company at an exercise price of $0.12 per share for a period of five years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $15,820 was estimated for the 150,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 137%; risk-free interest rate of 1.47%; and an expected life of 5 years.

(ii) On August 21, 2013, the Company granted 100,000 stock options to two consultants to acquire common shares of the Company at an exercise price of $0.10 per share for a period of five years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $6,000 was estimated for the 150,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 137%; risk-free interest rate of 1.92%; and an expected life of 5 years.

(iii) On March 10, 2014 the Company granted 100,000 stock options to a consultant to acquire common shares of the Company at an exercise price of $0.05 per share for a period of three years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $3,430 was estimated for the 150,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 175%; risk-free interest rate of 1.13%; and an expected life of 3 years.

(Expressed in Canadian Dollars)

10. Stock options (continued)

(iv) On April 7, 2014 the Company granted 600,000 stock options to four directors of the Company to acquire common shares of the Company at an exercise price of $0.05 per share for a period of five years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $11,130 was estimated for the 600,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 176%; risk-free interest rate of 2.2%; and an expected life of 5 years.

(v) On April 30, 2014 the Company granted 125,000 stock options to the Chief Financial officer of the Company to acquire common shares of the Company at an exercise price of $0.05 per share for a period of five years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $2,300 was estimated for the 125,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 173%; risk-free interest rate of 2.2%; and an expected life of 5 years.

(vi) On September 30, 2014 the Company granted 100,000 stock options to two consultants to acquire common shares of the Company at an exercise price of $0.05 per share for a period of three years. The options vest as to 25% immediately, and 25% from 90 days, 180 days and 270 days following the date of the grant. A value of $700 was estimated for the 100,000 stock options on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 166%; risk-free interest rate of 1.13%; and an expected life of 3 years.

The following table reflects the actual stock options issued and outstanding as of September 30, 2014:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
July 15, 2016	0.10	1.79	480,000	480,000	-
August 9, 2016	0.10	1.86	150,000	150,000	-
August 20, 2017	0.10	2.89	925,400	925,400	-
February 15, 2018	0.12	3.38	150,000	150,000	-
August 21, 2018	0.10	3.89	100,000	100,000	-
March 10, 2017	0.05	2.44	100,000	93,750	6,250
September 30, 2017	0.05	3.00	100,000	52,083	47,917
April 7, 2019	0.05	4.52	600,000	475,000	125,000
April 30, 2019	0.05	4.58	125,000	98,958	26,042
		3.13	2,730,400	2,525,191	205,209

The weighted average fair value of all the options granted during the year ended September 30, 2014 is $0.02 (2013 - $0.07).

(Expressed in Canadian Dollars)

11. Warrants

The following table reflects the continuity of warrants for the years ended September 30, 2014 and 2013:

	Number of warrants	Weighted average exercise price ($)
Balance, September 30, 2012	15,273,333	0.20
Granted (note 9(i)(ii)(iii)(iv))	5,251,850	0.17
Balance, September 30, 2013	20,525,183	0.19
Granted (note 9(vi)(vii))	846,190	0.11
Balance, September 30, 2014	**21,371,373**	**0.19**

The following table reflects the actual warrants issued and outstanding as of September 30, 2014:

Expiry date	Exercise price ($)	Number of warrants outstanding
December 31, 2015	0.20	800,000
December 31, 2015	0.20	845,000
December 31, 2015	0.20	1,820,000
December 31, 2015	0.20	1,150,000
December 31, 2015	0.20	875,000
December 31, 2015	0.20	2,007,500
December 31, 2015	0.20	1,200,000
February 7, 2015	0.20	6,141,667
February 7, 2015	0.10	434,166
April 29, 2015	0.20	2,417,000
April 29, 2015	0.10	241,700
June 18, 2015	0.12	700,500
June 18, 2015	0.10	43,750
June 30, 2015	0.20	1,232,000
June 30, 2015	0.13	75,450
July 11, 2015	0.13	16,450
August 23, 2018	0.10	525,000
December 31, 2018	0.06	29,190
December 31, 2018	0.10	200,000
December 31, 2018	0.12	417,000
March 4, 2019	0.10	100,000
March 4, 2019	0.12	100,000
		21,371,373

In October 2013 the Board of the Company approved the extension of 8,697,500 share purchase warrants to certain investors under several non-brokered private placements that were completed from April 2011 through June 2012, all of which are exercisable at $0.20 per share with expiry dates ranging from October 29, 2013 to December 26, 2014. The term of the warrants were extended until December 31, 2015.

12. Segmented information

At September 30, 2014 and 2013, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

(Expressed in Canadian Dollars)

13. Income taxes

(i) Deferred income taxes assets

Deferred income tax assets reflect the net tax effects of the temporary differences between the carrying amounts of assets for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred income tax assets were as follows:

Non	**2014**	2013
Non –capital losses carried forward	**$ 579,000**	$ 488,000
Exploration and evaluation assets	**(199,000)**	(193,000)
Share issue costs	**22,000**	29,000
	402,000	$ 324,000
Valuation allowance	**(402,000)**	(324,000)
	$ -	$ -

The Company has established a valuation allowance against its net unrecognized deferred income tax assets as the tax benefits were not more likely than not to be realized.

(ii) Provision for income taxes

No provision for current income tax expenses has been recorded as the Company had Canadian losses for income tax purposes. No provision for deferred income tax recoveries has been recorded as the Company's future profitability was uncertain.

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates of approximately 30% to the net loss for the year due to the following:

Non	**2014**	2013
Computed income tax recoveries	**$ (242,000)**	$ (168,000)
Tax benefits not recognized	**242,000**	168,000
	$ -	$ -

The Company's has non-capital losses of approximately $2,317,000 (2013 - $1,951,000) expiring between 2026 and 2033. In addition, the Company has available share issue costs of approximately $90,000 (2013 - $116,000) and Canadian Development and Exploration expenditures of approximately $275,000 (2013 - $291,000) are available to reduce taxable income in future years without expiry.

14. Management of financial risks

The Company's financial instruments are exposed to certain financial risks, including currency, credit, and liquidity risk.

Currency Risk

The Company is exposed to currency risk on financial instruments denominated in United States ("US") currency. Management actively monitors movements in foreign currency to mitigate exposure to significant foreign currency losses.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. All of the Company's cash and short-term investment is held through a large Canadian financial institution with a high investment grade rating.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at September 30, 2014, the Company's cash overdraft balance was $2,978 (2013 - $3,695 cash), which was not sufficient to meet current obligations. The Company continues to seek capital to fund working capital and its exploration and development projects. There is no assurance that additional funding will be available.

15. Commitments and contingencies

(i) During the previous years, the Company was named as a defendant in a counterclaim by an individual related to the ownership of 600,000 common shares issued by the Company. The Company has filed a Statement of Defence. The Company has no interest in the outcome of the litigation and has asked the courts to provide direction as to the name that the 600,000 common shares in the Company should be registered in.

(ii) During the year ended September, 2014, the Company completed various private placements of 517,500 flow-through units for gross proceeds of $31,020.(2013 - $448,280). These funds were committed to be expended on Canadian Exploration Expenditures ("CEE"). The Company had spent $8,930 (2013 - $605,414) of these funds on CEE leaving a balance of $22,090 (2013 - $nil) to be spent on CEE as at September 30, 2014. Subsequent to the year end an additional $19,961 was spent on CEE leaving a balance of $2,129 to be spent. The Company has 2 years from the time it raised the flow-through funds to spend it on CEE.

16. Subsequent events

(i) On October 8, 2014, pursuant to the option agreement dated August 4, 2014 between the Company and Optionors named in the option agreement the Company issued 400,000 common shares at deemed price of $0.05 per share and issued 400,000 warrants to 5 individuals (on a pro-rata basis in accordance with the Optionors' ownership interest) for the acquisition of 100% interest in certain unpatented mining claims known as the Savant and Wiggle Creek properties situated in the Townships of McCubbin and Poisson, Patricia Mining Division, in the province of Ontario. The warrants issued will have a three year term and will be exercisable at escalating prices of $0.05 per warrant in the first year, $0.10 per warrant in the second year and $0.15 per warrant in the third year. A value of $1,200.00 was estimated for the 400,000 warrants issued using a fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.13%; and an expected life of 3 years.

(ii) On October 8, 2014, the Company also completed a shares for debt settlement in the amount of $139,037 by issuing a total of 2,780,730 common shares at deemed price of $0.05 per common share to certain vendors and officers of the Company for amounts owing to them as at year end. A total of $73,160 or 1,463,210 shares was issued for amounts owing to certain vendors and 588,400 shares was issued to Richard Goldman (CFO), 703,920 shares to John David Mason (former President and former CEO), and 25,200 shares to James Macintosh (former director) of the Company.

(iii) On August 17, 2015 the Company announced that it had sold its interest in the Purchase Option Agreement for the Wiggle Creek and Savant Lake properties in the Patricia Mining Division in northwestern Ontario for a sale price of $42,500. The Company also sold a 1% Royalty on the two properties for a total of $20,000.

(iv) On September 18, 2015 the Company entered into an option agreement to acquire 100% interest in certain unpatented mining claims known as the Calvert Property situated in the Township of Aldina, Thunder Bay Mining Division in the province of Ontario from 2 individuals ("Optionors") based on the following considerations:

(a) Cash payments totalling $150,000 to be paid to the Optionors (on a pro-rata basis in accordance with their respective Optionors' ownership interest) as follows $10,000 on first anniversary of the effective date, $25,000 on second anniversary, $25,000 on the 3rd anniversary, $25,000 on the 4th anniversary, and the final $50,000 on the 5th anniversary date of the effective date;.
(b) The Optionors retain a royalty of 2.5% Net Smelter Returns ("NSR") on the properties.
(c) Following Parkside's acquisition of 100% Interest in the property the Company will make annual advance royalty payments for a total sum of $25,000 in Canadian Funds per year to be paid on a pro-rata basis in accordance with their respective Optionors' Ownerships Interest. Such yearly advance royalty payments will be payable on each future anniversary date starting on the 6th anniversary date of this Agreement. Such payments are to be deducted from any future Production Royalty payments made to the Optionors. Parkside may elect, at its sole discretion, to execute half of the yearly $25,000 payments in the form of Common Shares representing the sum of $12,500 according to the market price at such date subject to regulatory approval.