PANTHEON VENTURES LTD.

Financial Statements

September 30, 2014 and September 30, 2013

Expressed in Canadian Dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Pantheon Ventures Ltd.

We have audited the accompanying financial statements of Pantheon Ventures Ltd., which comprise the statements of financial position as at September 30, 2014 and 2013 and the statements of comprehensive loss, cash flows and changes in shareholders' equity (deficiency) 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Pantheon Ventures Ltd. as at September 30, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Emphasis of Matter

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Accountants

January 22, 2015

PANTHEON VENTURES LTD.
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2014	September 30, 2013
	$	$
Assets		
Current		
Cash	2,753	4,098
GST receivable	3,684	5,330
Prepaid expenses	-	1,356
	6,437	10,784
Equipment (Note 3)	217	482
	6,654	11,266
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	242,582	71,629
Interest payable on related parties' loans (Note 7)	3,936	2,134
Interest on loan payable (Note 7)	4,229	-
Loan from related parties (Note 7)	57,200	63,412
Loan payable (Note 7)	63,412	-
Due to related parties (Note 8)	20,000	-
	391,359	137,175
Loans from related parties (Note 7)	-	57,200
	391,359	194,375
Shareholders' deficiency		
Share capital (Note 6)	1,169,139	1,151,139
Reserves (Note 6)	44,727	65,765
Deficit	(1,598,571)	(1,400,013)
	(384,705)	(183,109)
	6,654	11,266

Nature and Continuance of Operations (Note 1)

These financial statements are authorized for issuance by the Board of Directors on January 22, 2015.

On Behalf of the Board:

“Adrian Smith”	“Brett Matich”
Director	Director

The accompanying notes are an integral part of these financial statements

PANTHEON VENTURES LTD.
(An Exploration Stage Company)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	For the years ended September 30,	
	2014	**2013**
	$	**$**
Expenses		
Advertising and promotion	1,425	864
Consulting fees (Note 8)	61,000	154,760
Depreciation	265	589
Financing costs (recovery)	(3,046)	6,490
Interest on short term debt (Note 7)	6,031	10,378
Management fees (Note 8)	90,000	50,000
Office expenses	936	56,454
Professional fees (Note 8)	21,987	78,332
Property investigation	-	9,195
Regulatory and shareholders' service	22,998	19,529
Travel and entertainment	-	6,081
	(201, 596)	(392,672)
Extinguishment of accounts payable	-	39,811
Write-down of exploration and evaluation assets	(18,000)	(483,396)
Loss and comprehensive loss for the year	(219,596)	(836,257)
Basic and diluted loss per share	(0.12)	(0.69)
Weighted average number of common shares outstanding	1,865,560	1,203,945

The accompanying notes are an integral part of these financial statements

PANTHEON VENTURES LTD.
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended September 30,	
	2014	**2013**
	$	**$**
Cash flows used in operating activities		
Net loss for the year	(219,596)	(836,257)
Adjustments:		
Depreciation	265	589
Interest on short term debt	6,031	10,378
Extinguishment of accounts payable	-	(39,811)
Write-down of exploration and evaluation assets	18,000	483,396
Changes in non-cash working capital items		
Decrease in receivables	1,646	56,046
Decrease in prepaid expenses	1,356	9,540
Increase in due to related parties	20,000	-
Increase in accounts payable and accrued liabilities	170,953	174,316
	(1,345)	(141,803)
Cash flows used in investing activities		
Exploration and evaluation assets expenditures	-	(17,383)
	-	(17,383)
Cash flows from financing activities		
Proceeds from share issuances	-	140,000
Proceeds from exercise of warrants	-	36,015
Related party advance (repayment)	-	(20,000)
	-	156,015
Net change in cash	(1,345)	(3,171)
Cash, beginning of year	4,098	7,269
Cash, end of year	2,753	4,098
Non-cash transactions		
Accounts payable and accrued liabilities settled in common shares	-	183,745
Interest payable on related party loans settled in common shares	-	11,124
Due to related party settled in common shares	-	21,600
Loans from related parties settled in common shares	-	87,888
Exploration and evaluation costs settled in common shares	18,000	-

The accompanying notes are an integral part of these financial statements

PANTHEON VENTURES LTD.
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of Shares Issued	Share Capital	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
		$	$	$	$
Balance at September 30, 2012	**993,300**	**670,767**	**86,803**	**(584,794)**	**172,776**
Shares issued on private placement	400,000	140,000	-	-	140,000
Stock options forfeited	-	-	(21,038)	21,038	-
Warrants exercised	24,010	36,015	-	-	36,015
Shares issued on debt settlement	411,428	304,357	-	-	304,357
Net loss for the year	-	-	-	(836,257)	(836,257)
Balance at September 30, 2013	**1,828,738**	**1,151,139**	**65,765**	**(1,400,013)**	**(183,109)**
Shares issued for property extension	120,000	18,000	-	-	18,000
Stock options forfeited	-	-	(21,038)	21,038	-
Net loss for the year	-	-	-	(219,596)	(219,596)
Balance at September 30, 2014	**1,948,738**	**1,169,139**	**44,727**	**(1,598,571)**	**(384,705)**

The accompanying notes are an integral part of these financial statements

NOTE 1 - Nature and Continuance of Operations

Pantheon Ventures Ltd. (the “Company”) was incorporated on December 28, 2006 under the Business Corporations Act of British Columbia and commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol ‘PVX’ on March 8, 2012. The Company is primarily engaged in the acquisition and exploration of exploration and evaluation assets and is considered to be in the exploration stage.

The Company’s head office, principal address and registered and records office is located at Suite 302 – 1620 West 8th Avenue, Vancouver, British Columbia, Canada, V6J 1V4.

On September 8, 2014, the Company consolidated its then issued and outstanding common shares at a ratio of one new share for every ten old shares. All comparable data has been adjusted for the aforementioned consolidation.

The Company’s exploration and evaluation assets are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2014, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

NOTE 2 - Significant Accounting Policies and Basis of Preparation

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Basis of presentation
These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, “IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements are presented in Canadian dollars unless otherwise noted.

These financial statements were authorized for issue by the Board of Directors on January 22, 2015.

Foreign currency translation
The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

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

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation, and recognition of deferred tax amounts.

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

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Exploration and evaluation assets
Pre-exploration costs are expensed as incurred.

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration and environmental obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mineral property interests along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

As at September 30, 2014 and September 30, 2013, there were no significant restoration and environmental obligations.

Share-based compensation
The Company has an employee stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to deficit.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. The Company classifies receivables as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in the statements of comprehensive loss.

All financial assets except those measured 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 objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method, and the Company classifies accounts payable and accrued liabilities, due to related parties, and loans from related parties as other financial liabilities.

As at September 30, 2014 and September 30, 2013, the Company does not have any derivative financial assets and liabilities.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the fiscal period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Equipment (continued)
Depreciation is calculated using a declining-balance method to write off the cost of the assets. The depreciation rates applicable to each category of equipment are as follows:

Asset	Basis	Rate
Computer equipment	Declining balance	55%

Income taxes
Current income tax:
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is recognized in respect of the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Impairment of non-financial assets
The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statements of comprehensive loss.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting periods. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Potentially dilutive options and warrants excluded from diluted loss per share totalled 16,000 (2013 – 1,004,690).

Newly adopted accounting standards and interpretations

During the year ended September 30, 2014, the Company adopted the following new accounting standards:

- New standard IFRS 10 *Consolidated Financial Statements*

  Provides a new single consolidation model that identifies control as the basis for consolidation for all types of entities, and replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities.*

- New standard IFRS 11 *Joint Arrangements*

  Improves the accounting for joint arrangements by introducing a principle-based approach that requires a party to a joint arrangement to recognize its rights and obligations arising from the arrangement. Such a principle-based approach will provide users with greater clarity about an entity's involvement in its joint arrangements by increasing the verifiability, comparability and understandability of the reporting of these arrangements. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities-Non-Monetary Contributions by Venturers*.

- New standard IFRS 12 *Disclosure of Interests in Other Entities*

  Combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- New standard IFRS 13 *Fair Value Measurement*

  Defines fair value and sets out a framework for measuring fair value and disclosures about fair value measurements. It applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value.

During the year ended September 30, 2014, the Company adopted the following revised accounting standards:

- Revised standard IAS 27 *Separate Financial Statements*

  As a result of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 27 has been reissued to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Company prepares separate financial statements.

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

- IAS 28 *Associates and Joint Ventures*

  As a consequence of the issue of IFRS 11, IAS 28 has been amended and provides the accounting guidance for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The adoption of these new and revised standards did not have a material effect on these financial statements.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2014, and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2014

- Amendments to IAS 32, Financial Instruments: Presentation

  IAS 32 is amended to clarify the requirements for offsetting of financial assets and financial liabilities.

Effective for annual periods beginning on or after January 1, 2017

- IFRS 15, *Revenue from Contracts with Customers:*

  IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, Financial Instruments

  IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

- Amendments to IFRS 7, Financial Instruments: Disclosure

  Amendment to require additional disclosures on transition from IAS 39 to IFRS 9.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the consolidated financial statements.

(Expressed in Canadian Dollars)

NOTE 3 - Equipment

	Computer equipment
	$
Cost:	
At September 30, 2012	1,477
Additions	-
At September 30, 2013	1,477
Additions	-
At September 30, 2014	1,477
Accumulated depreciation:	
At September 30, 2012	406
Charge for the year	589
At September 30, 2013	995
Charge for the year	265
At September 30, 2014	1,260
Net book value:	
At September 30, 2013	482
At September 30, 2014	**217**

NOTE 4 – Exploration and Evaluation Assets

The Company's interest in exploration and evaluation assets consists of:

Ko-Ko-Ko Property	Acquisition costs	Exploration costs	Total
	$	$	$
Balance September 30, 2012	90,000	376,013	466,013
Geological, survey and line cutting	-	17,383	17,383
Write-off of acquisition and exploration costs	(90,000)	(393,396)	(483,396)
Balance September 30, 2013	-	-	-
Share issuance to extend agreement deadline	18,000	-	18,000
Write-off of acquisition costs	(18,000)	-	(18,000)
Balance September 30, 2014	**-**	**-**	**-**

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

(Expressed in Canadian Dollars)

NOTE 4 – Exploration and Evaluation Assets (continued)

Ko-Ko-Ko Property

The Company entered into several amended and restated Option Agreements to acquire a 100% interest in certain mineral claims located in Ontario. Terms of the Option Agreements are as follows:

i) paying the Optionor the following cash payments:

- $10,000 upon execution of the Letter of Intent (paid);
- an additional $15,000 on or before December 29, 2007 (paid);
- an additional $15,000 on or before March 1, 2010 (paid);
- an additional $12,500 on or before March 1, 2011 (paid);
- an additional $12,500 on or before April 12, 2011 (paid);
- an additional $25,000 on or before July 1, 2012 (paid); and
- an annual advance royalty of $25,000 first payable on or before June 30, 2015.

ii) incurring minimum exploration costs of $375,000 on the Property, as follows:

- a first phase work program of at least $150,000 (incurred) on or before December 29, 2010;
- a second phase work program of $150,000 (incurred) on or before December 29, 2011; and
- a third phase work program of $75,000 on or before June 30, 2015.

The Property is subject to a 3% Net Smelter Returns ("NSR") royalty, net of any advance royalties previously paid, on mineral production from the property subject to the Company's right to purchase, at any time on or before twelve (12) months from the commencement of commercial production from the Property, the following portions of the NSR royalty:

- one-sixth (1/6) of the NSR royalty from the Optionor for the sum of $500,000;
- an additional one-sixth (1/6) of the NSR royalty from the Optionor for the sum of $500,000;
- an additional one-sixth (1/6) of the NSR royalty from the Optionor for the sum of $500,000.

On September 30, 2013, the Company determined that it did not have the resources to fulfill terms of the original option agreement and wrote off all related exploration and evaluation costs totaling $483,396.

On June 12, 2014, the Company issued 120,000 common shares (issued at a value of $18,000) in relation to the extension of the deadline for completion of the third phase work program. The Company has continued to write off all deferred exploration and evaluation costs and at September 30, 2014, wrote off $18,000 in acquisition costs.

NOTE 5 – Accounts Payable and Accrued Liabilities

	September 30, 2014	**September 30, 2013**
	$	**$**
Accounts payable	234,582	56,629
Accrued liabilities	8,000	15,000
	242,582	**71,629**

(Expressed in Canadian Dollars)

NOTE 6 – Share Capital and Reserves

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

On September 8, 2014, the Company consolidated its then issued and outstanding common shares at a ratio of ten old shares for one new share.

On June 12, 2014, the Company issued 120,000 common shares at a price of $0.15 per share for the extension of the Kokoko Property.

On February 22, 2013, the Company completed a private placement consisting of 400,000 common shares issued at $0.35 per share for gross proceeds of $140,000. There were no finder's fees or commissions paid in connection with this financing.

On August 21, 2013, the Company settled $304,357 in outstanding debt, inclusive of $120,612 of related party debt, via the issuance of 411,428 common shares.

Escrow shares

Pursuant to an escrow agreement dated March 4, 2011, 168,000 common shares and 168,000 warrants will be held in escrow. A total of 10% of the escrow shares and warrants will be released on the date the Company's shares are listed on the TSX Venture Exchange and the remainder will be released in equal tranches of 15% every six months thereafter. As at September 30, 2014, the balance remaining in escrow was 25,200 common shares and 25,200 warrants.

Pursuant to a voluntary pooling agreement dated March 4, 2011, 82,500 common shares and 82,500 warrants will be held in escrow. A total of 20% of the pooled shares and warrants will be released every three months with the first release on the date the Company's shares are listed on the TSX Venture Exchange. As at September 30, 2014, all of the common shares and warrants were released from escrow.

Share purchase warrants

During the year ended September 30, 2014, no (2013 – 24,010) warrants were exercised for proceeds of $Nil (2013 - $36,015).

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
		$
Outstanding at September 30, 2012	966,700	2.00
Exercised	(24,010)	1.50
Outstanding at September 30, 2013	942,690	2.00
Expired	(942,690)	2.00
Outstanding at September 30, 2014	-	-

There were no share purchase warrants outstanding as at September 30, 2014

(Expressed in Canadian Dollars)

NOTE 6 – Share Capital and Reserves – (continued)

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

Stock options previously granted became effective on the date the Company achieved trading status on March 12, 2012. The stock options expire in 10 years with an exercise price of $2.00. The stock options were valued at approximately $1.30 per option for a total share-based compensation of $63,113.

In conjunction with the Company's initial public offering, the Company granted 30,000 Agent's Options for a period of two years, valued at approximately $0.80 for a total share-based compensation of $23,690. The Agent's Options entitle the Agent to purchase Agent's units at a price of $1.50 per Agent's Unit. Each Agent's Unit is comprised of one common share and one common share purchase warrant, entitling the holder to purchase one additional common share at a price of $2.50 at any time for a period of two years.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
		$
Outstanding and exercisable at September 30, 2012	78,000	1.80
Forfeited	(16,000)	2.00
Outstanding and exercisable at September 30, 2013	62,000	1.80
Expired	(30,000)	1.50
Forfeited	(16,000)	2.00
Outstanding and exercisable at September 30, 2014	16,000	2.00

A summary of the stock options outstanding and exercisable at September 30, 2014 is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
$			
2.00	16,000	16,000	March 12, 2022

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If vested options expire unexercised or are forfeited, the amount recorded is transferred to deficit. During the year ended September 30, 2014, a total of 16,000 (2013 – 16,000) vested stock options were forfeited and $21,038 (2013 - $21,038) was transferred from the stock option reserve to deficit.

During the year ended September 30, 2014, a total of 300,000 (2013 – Nil) Agent's Options expired.

(Expressed in Canadian Dollars)

NOTE 7 – Loans Payable

On June 26, 2011, the Company entered into a loan agreement with a former director of the Company for a principal amount of $220,500 with an interest rate of prime rate plus 2% per annum. The principal was due on July 1, 2014. Interest is accrued on a daily basis and payable on the last day of each month. On December 23, 2011, the Company entered into an amending agreement in which an additional $40,000 was advanced to the Company bringing the total principal amount of the loan to $260,500. During the year ended September 30, 2014, $Nil (2013 - $57,088) was repaid, bringing the total principal amount of the loan to $63,412. On July 1, 2014, the Company entered into an amending agreement which extended the loan due date to July 1, 2015. As of September 30, 2014, interest of $4,229 (September 30, 2013 - $1,058) has been accrued on the loan. Subsequent to the year ended September 30, 2014, the principal and accrued interest owing under the loan was assigned to an unrelated third party.

On December 23, 2011, the Company entered into another loan agreement with a director and officer of the Company for a principal amount of $108,000 with an interest rate of prime rate plus 2%. The principal is due on December 31, 2014. Interest is accrued on a daily basis and payable on the last day of each month. During the year ended September 30, 2014, $Nil (2013 - $50,800) was repaid, bringing the total principal amount of the loan to $57,200. On July 1, 2014, the Company entered into an amending agreement which extended the loan due date to July 1, 2015. As of September 30, 2014, interest of $3,936 (September 30, 2013 - $1,076) has been accrued on the loan. Subsequent to the year ended September 30, 2014, this director and officer resigned. Subsequent to the year ended September 30, 2014, the principal and accrued interest owing under the loan was assigned to an unrelated third party.

NOTE 8 - Related Party Transactions

During the year ended September 30, 2014, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

i. As at September 30, 2014, $144,559 (September 30, 2013 - $43,646) was included in accounts payable and accrued liabilities owing to a company controlled by a director and officer of the Company for management fees and reimbursable expenses. The amounts due to related parties, other than the loan agreements, are non-interest bearing with no fixed terms of repayment.
ii. As at September 30, 2014, $20,000 (September 30, 2013 - $Nil) is due to a director. The amount is non-interest bearing, with no fixed terms of repayment.

Summary of key management personnel compensation:

	For the years ended September 30,	
	2014	2013
	$	$
Management fees	90,000	50,000
Professional fees	-	7,500
Consulting fees	-	55,000
	90,000	112,500

During the year ended September 30, 2013, the Company extinguished certain accounts payable, of which $5,000 related to management fees.

(Expressed in Canadian Dollars)

NOTE 9 - Capital Disclosure and Management

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

NOTE 10 - Segmented Information

The Company currently conducts substantially all of its operations in Canada in one business segment being the exploration and development of resource properties.

NOTE 11 - Income Taxes

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

	Years ended September 30,	
	2014	**2013**
	$	**$**
Loss before income taxes	(219,596)	(836,257)
Combined federal and provincial statutory income tax rate	26%	25%
Income tax recovery at statutory tax rate	(57,000)	(213,000)
Impact of future income tax rates applied versus current statutory rate	(1,000)	5,000
Change in unrecognized deductible temporary differences	58,000	208,000
Total	-	-

(Expressed in Canadian Dollars)

NOTE 11 - Income Taxes (continued)

Significant components of deferred tax assets that have not been set up are as follows:

	As of September 30, 2014	As of September 30, 2013
	$	$
Share issuance costs	36,000	53,000
Non-capital losses	336,000	266,000
Exploration and evaluation assets	102,000	97,000
Total	474,000	416,000

No net deferred tax asset has been recognized in respect of the above for the years ended September 30, 2014 and 2013 because the amount of future taxable benefit that will be available to realize such assets is not probable.

The Company has non-capital losses for Canadian income tax purposes of approximately $1,294,000 which may be carried forward and applied against taxable income in future years. These losses, if utilized, will expire through to 2034.

Tax attributes are subject to review and potential adjustment by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	As of September 30,			
	2014	Expiry dates	2013	Expiry dates
	$		$	
Share issuance costs	137,000	2015 to 2016	205,000	2014 to 2016
Non-capital losses	1,294,000	2015 to 2034	1,023,000	2014 to 2033
Property and equipment	1,000	No Expiry	1,000	No Expiry
Exploration and evaluation assets	389,000	No Expiry	371,000	No Expiry
Investment tax credit	1,000	2023	1,000	2023

Tax attributes are subject to review, and potential adjustment, by tax authorities.

NOTE 12 - Financial Instruments and Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, due to related parties and loan from related parties. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

NOTE 12 - Financial Instruments and Risk Management (continued)

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2014, the Company did not have material amounts in any accounts in foreign currencies.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk. Receivables are due primarily from a government agency.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as it holds loans that bear variable interest rates.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 13 – Subsequent Events

Subsequent to the end of the year, the Company announced a private placement wherein it would issue up to 14,000,000 units at $0.03 per unit for gross proceeds of $420,000. Each unit will consist of one common share and one common share purchase warrant exercisable for a period of two years from the closing of the private placement at an exercise price of $0.10 per share.