

ANTHEM RESOURCES INCORPORATED

(an exploration stage enterprise)

(expressed in Canadian dollars)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2014 and 2013

NOTICE TO READERS

Under National Instrument 51-102, Part 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements of Anthem Resources Incorporated (an exploration stage company) are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors.

The Company's independent auditors have not performed an audit or review of these condensed consolidated interim financial statements.

"Walter Coles, Jr."

Walter Coles, Jr.
President and CEO

"Karen A. Allan"

Karen A. Allan
Chief Financial Officer

Vancouver, British Columbia
November 27, 2014

ANTHEM RESOURCES INCORPORATED
(an exploration stage enterprise)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	Note	September 30, 2014	June 30, 2014
ASSETS			
Current			
Cash		**$ 157,642**	$ 18,772
Marketable securities	5	**804,698**	1,216,316
Receivables		**60**	405,600
Prepaid expenses and deposits		**66,045**	47,853
		1,028,445	1,688,541
Exploration and evaluation assets	6	**3,504,859**	3,505,537
Investment	7	**6,731,435**	6,731,435
Equipment	8	**28,884**	30,449
		$ 11,293,623	$ 11,955,962
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	**$ 258,528**	$ 401,694
Shareholders' equity			
Share capital	10	**69,669,375**	69,669,375
Share-based payment reserve		**4,523,552**	4,523,552
Accumulated other comprehensive income (loss)		**(336,299)**	13,356
Deficit		**(62,821,533)**	(62,652,015)
		11,035,095	11,554,268
		$ 11,293,623	$ 11,955,962

On behalf of the Board:

"Robert Ingram" Director *"Robert V. Matthews"* Director
Robert Ingram Robert V. Matthews

See notes to condensed consolidated interim financial statements.

ANTHEM RESOURCES INCORPORATED
(an exploration stage enterprise)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Note	For the three months ended September 30	
		2014	2013
Expenses			
Management and consulting fees	9	**$ 31,026**	$ 23,316
Investor relations		**24,125**	8,627
Office, rent and administration		**32,663**	25,439
Professional fees		**20,714**	23,998
Property research		**-**	3,015
Transfer agent and listing fees		**3,482**	1,021
Travel		**16,310**	10,492
Amortization		**1,565**	1,980
		(129,885)	(97,888)
Interest income		**-**	69,765
Share of income (loss) on equity accounted investment		**-**	(29,235)
Recovery of exploration and evaluation assets		-	374,099
Loss on sale of marketable securities		**(39,633)**	(11,911)
Net gain (loss) for the period		**(169,518)**	304,830
Items of comprehensive income (loss)			
Unrealized gain (loss) on marketable securities		**(392,405)**	410,332
Transfer on sale of marketable securities		**42,750**	-
Transfer on impairment of marketable securities		**-**	-
		(349,655)	410,332
Comprehensive gain (loss) for the period		**$ (519,173)**	$ 715,162
Basic and diluted gain (loss) per share		**$ (0.01)**	$ 0.11
Weighted average number of common shares outstanding		**35,419,746**	35,419,746

See notes to condensed consolidated interim financial statements.

ANTHEM RESOURCES INCORPORATED
(an exploration stage enterprise)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Share Capital		Share-based Payment		Accumulated Other Comprehensive	Total Shareholders'
	Shares	Amount	Reserve	Deficit	Income (Loss)	Equity
	Note 1					
Balance at June 30, 2013	35,419,746	$ 69,669,375	$ 4,379,862	$ (59,873,324)	$ (1,120,430)	$ 13,052,483
Items of comprehensive income	-	-	-	-	410,332	410,332
Net gain for the period	-	-	-	304,830	-	304,830
Balance at September 30, 2013	35,419,746	69,669,375	4,376,862	(59,568,494)	(710,098)	13,767,645
Balance at June 30, 2014	35,419,746	69,669,375	4,523,552	(62,652,015)	13,356	$ 11,554,268
Expired options	-	-	-	-	-	-
Items of comprehensive loss	-	-	-	-	(349,655)	(349,655)
Net loss for the period	-	-	-	(169,518)	-	(169,518)
Balance at September 30, 2014	35,419,746	$ 69,669,375	$ 4,523,552	$ (62,821,533)	$ (336,299)	$ 11,035,095

See notes to condensed consolidated interim financial statements.

ANTHEM RESOURCES INCORPORATED
(an exploration stage enterprise)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	For the three months ended September 30	
	2014	2013
Cash from operating activities		
Net gain (loss) for the period	**$ (169,518)**	**$** 304,830
Items not involving cash		
Amortization	**1,565**	1,980
Share of (income) loss on equity accounted investment	**-**	29,235
Loss on sale of marketable securities	**39,633**	11,911
Interest on promissory note	**-**	(66,929)
Changes in non-cash working capital		
Receivables	**405,539**	2,981
Prepaid expenses and deposits	**(18,192)**	(21,135)
Accounts payable and accrued liabilities	**(143,165)**	(21,889)
Cash provided by operating activities	**115,862**	240,984
Investing activities		
Expenditures on exploration and evaluation assets	**(772)**	(17,069)
Acquisition of marketable securities	**1,450**	-
Proceeds from sale of marketable securities	**22,330**	3,365
Cash provided by (used) in investing activities	**23,008**	(13,704)
Increase in cash during the period	**138,870**	227,280
Cash, beginning of period	**18,772**	131,517
Cash, end of period	**$ 157,642**	$ 358,797

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See notes to condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Anthem Resources Incorporated (the "Company" or "Anthem") was incorporated under the *Business Corporations Act* of Alberta on May 25, 1993 and transitioned to British Columbia in 2009..

The Company's principle business activities include the acquisition, exploration and development of mineral resource properties in Canada, focused primarily on the energy sector with emphasis currently placed on uranium projects. The Company's offices are at 611 – 675 West Hastings Street, Vancouver, British Columbia, V6B 1N2.

Details of the Company's subsidiaries and equity investment at September 30, 2014 are as follows:

	Nature of Operations	Place of Incorporation and Operation	Ownership Interest
SUBSTANTIALLY OR WHOLLY OWNED			
662707 Alberta Ltd.	Holding company	Alberta	100%
Minera Santoy, S.A. de C.V.	Inactive	Mexico	99.9%
SIGNIFICANT INFLUENCE			
Boss Power Corp.	Mining	British Columbia	34.74%

The Company has incurred significant operating losses in its exploration of its mineral properties and has not yet determined whether they contain resources that are economically recoverable. The recoverability of amounts capitalized for mineral properties is dependent upon the discovery of sufficient economically recoverable ore resources, confirmation of the Company's interest in the underlying mineral properties, the ability of the Company to arrange appropriate financing to complete the development of the mineral properties and upon future profitable production or proceeds from the sale of the mineral properties. These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited consolidated interim financial statements of the Company, including its subsidiaries, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated interim financial statements have been prepared on an historical cost basis, except for cash flow information. These interim financial statements are presented in Canadian dollars and have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended June 30, 2014. The disclosures which follow do not include all disclosures required for the annual financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements and notes for the year ended June 30, 2014.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 27, 2014. The Company's functional and reporting currency is the Canadian dollar.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting changes

IFRS is not static, and there have been a number of changes recently published that will need to be adopted in the Company's future consolidated financial statements.

The following standards have been published by the IASB, but have not yet been adopted by the Company:

IFRS 9 *Financial Instruments* (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRS 9 *Financial Instruments* (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013)

A revised version of IFRS 9 which:

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss
- Removes the mandatory effective date of IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalization of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

This standard has no stated effective date.

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Amends IFRS 11 *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to annual periods beginning on or after July 1, 2016.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure
- of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to annual periods beginning on or after July 1, 2016.

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

The Company has adopted the following annual improvements:

Annual Improvements 2010-2012 Cycle

Makes amendments to the following standards:

- **IFRS 2** — Amends the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition"
- **IFRS 3** — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- **IFRS 8** — Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- **IFRS 13** — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- **IAS 16** and **IAS 38** — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- **IAS 24** — Clarify how payments to entities providing management services are to be disclosed

Annual Improvements 2011-2013 Cycle

Makes amendments to the following standards:

- **IFRS 1** — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- **IFRS 3** — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- **IFRS 13** — Clarify the scope of the portfolio exception in paragraph 52
- **IAS 40** — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

	September 30, 2014			June 30, 2014		
Financial assets	Loans and receivables	FVTPL	Available-for-sale	Loans and receivables	FVTPL	Available-for-sale
Cash	$ -	$ 157,642	$ -	$ -	$ 18,722	$ -
Marketable securities	-	6,475	798,223	-	6,475	1,209,841
	$ -	$ 164,117	$ 798,223	$ -	$ 25,197	$1,209,841

The financial assets are carried at fair value as at September 30, 2014 and June 30, 2014. The Company classifies its only financial liability, accounts payable and accrued liabilities, as other financial liabilities and carries it at amortized cost.

September 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Marketable securities	$ 798,223	$ 6,475	$ -	$ 804,698

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Marketable securities	$ 1,209,841	$ 6,475	$ -	$ 1,216,316

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company's financial assets that are exposed to credit risk are cash and the promissory note receivable.

The Company holds cash at a major Canadian financial institution in accordance with the Company's investment policy. Management considers credit risk on cash to be low because the counterparties are highly rated Canadian banks. The Company is also exposed to credit risk from its promissory note receivable. A provision for impairment of loans receivable is established when there is objective evidence that the Company will not be able to collect all amounts due.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2014 and June 30, 2014, the Company's net exposure to foreign currency risk is as follows:

	September 30, 2014		**June 30, 2014**	
	US $	CDN $	US $	CDN $
Cash	33,033	36,997	3,750	5,492
Accounts payable	180,666	202,346	223,590	131,133

Based on the above, assuming all other variables remain constant, a 5.64% (2013 - 10%) weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's results of operations.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(c) Market risk (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value and are therefore directly affected by fluctuations in the market value of the underlying securities.

5. MARKETABLE SECURITIES

		September 30, 2014		
Company	Number of common shares	Available-for-sale securities	Other	Available-for-sale securities and other
Skeena Resources Limited.	966,905	$ 67,684	$ -	$ 67,684
Skeena Resource Limited. – warrants	384,000	-	-	-
Sparton Resources Ltd.	2,200,000	22,000	-	22,000
Golden Band Resources Inc	7,441,000	74,410	-	74,410
Jack's Fork Exploration Inc.	1,750,000	-	-	-
Nickel North Exploration Corp.	10,933,707	601,354	-	601,354
Nickel North Exploration Corp. – warrants	2,966,853	-	6,475	6,475
Forum Uranium Corp.	167,500	21,775	-	21,775
Lakeland Resources Inc.	200,000	11,000	-	11,000
		$ 798,223	$ 6,475	$ 804,698

		June 30, 2014		
Company	Number of common shares	Available-for-sale securities	Other	Available-for-sale securities and other
Skeena Resources Limited.	966,905	$ 116,029	$ -	$ 116,029
Skeena Resource Limited. – warrants	384,000	-	-	-
Sparton Resources Ltd.	2,200,000	33,000	-	33,000
Golden Band Resources Inc	7,441,000	111,615	-	111,615
Jack's Fork Exploration Inc.	1,750,000	-	-	-
Nickel North Exploration Corp.	10,933,707	874,697	-	874,697
Nickel North Exploration Corp. – warrants	2,966,853	-	6,475	6,475
Forum Uranium Corp.	300,000	43,500	-	43,500
Lakeland Resources Inc.	200,000	31,000	-	31,000
		$ 1,209,841	$ 6,475	$ 1,216,316

5. MARKETABLE SECURITIES (continued)

	September 30, 2014	June 30, 2014
AFS securities at fair value	$ 739,613	$ 1,081,968
AFS securities held in escrow	58,610	127,873
Held-for-trading securities at fair value	6,475	6,475
	$ 804,698	$ 1,216,316

The fair value of shares is determined by reference to closing prices on a stock exchange. The fair value of warrants is determined using the Black-Scholes option pricing model.

6. EXPLORATION AND EVALUATION ASSETS

	Saskatchewan	Labrador and Newfoundland	**Total**
Balance at June 30, 2013	$ 7,793,318	$ 1	$ 7,793,319
Additions			
Acquisition and land management costs	25,426	-	25,426
Geology/geophysics	22,694	-	22,694
Field support	4,484	-	4,484
	52,604	-	52,604
	7,845,922	1	7,845,923
Write-offs	(3,333,539)	-	(3,333,539)
Disposition of exploration and evaluation assets	(1,006,847)	-	(1,006,847)
Balance at June 30, 2014	3,505,536	1	3,505,537
Additions			
Acquisition and land management costs	772	-	772
	772	-	772
	3,506,308	1	3,506,309
Disposition of exploration and evaluation assets	(1,450)	-	(1,450)
Balance at September 30, 2014	$ 3,504,858	$ 1	$ 3,504,859

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

6. EXPLORATION AND EVALATION ASSETS (continued)

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or if the claims are allowed to lapse.

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 conveyance history of many mineral properties. The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties, and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

6. EXPLORATION AND EVALUATION ASSETS (continued)

British Columbia

KET and REN claims

The Company holds a 100% interest in the Ket and Ren claims in southern British Columbia. Acquired for their uranium potential, these claims have been inactive since the B.C. Government's announcement in April, 2008 and the March, 2009 Order in Council regarding a ban on uranium and thorium exploration and development. The company regards this as an expropriation of an asset. At the request of the Company, the Chief Gold Commissioner issued a Protection Order on the claims to allow them to remain in good standing and protect them from forfeiture. The Company is seeking damages and filed a notice of civil claim in B.C. Supreme Court on February 21, 2014. The Province filed a response to civil claim on November 4, 2014. A court date has not been set.

Saskatchewan

Athabasca Basin – Northern area

The Company has a 100% interest in claim groups in the northern part of the Athabasca Basin of Saskatchewan. Some of the claims are subject to a non-participating, non-voting, carried 0.5% net smelter return ("NSR"). On July 31, 2014, the Company sold the Karpinka property for 10,000 Forum common shares.

Hatchet Lake and Murphy Lake Joint Ventures

The Company has an interest in two joint venture properties with Denison Mines Corp. ("Denison") as operator, located on the Wollaston Trend at the northeast margin of the Athabasca Basin. The Company elected not to participate in the 2014 exploration program and its interest has been diluted from 50% to about 41% on each property.

Webb River

Anthem holds a 100% interest in the Webb River property on the southeast margin of the basin**.**

Quebec

Otish Mountains

The Company sold its 100% interest in several blocks of mineral claims in the Otish Mountains of northern Quebec, pursuant to an arrangement and spin-out on September 27, 2012. In addition to the property interests, the Company paid $400,000 to Otish Minerals Ltd. ("Otish"), a wholly owned subsidiary of Virginia Energy in exchange for a promissory note for $3,900,000. The promissory note is secured by the shares of Otish, which owns the claims in the Otish Mountains. During the year ended June 30, 2014, Virginia determined that there were indicators of impairment on its Otish Mountain property, and as a result, wrote-down the entire amount. Accordingly, the Company impaired the promissory note for the full amount including the accrued interest.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Labrador

Mega Joint Venture

The Mega JV comprises the Bruce River and Mustang Lake properties, located in the Central Mineral Belt of Labrador. Mega Uranium Ltd. is the operator. Anthem elected not to participate in exploration programs since 2009 and as such has seen its interest in the Bruce River and Mustang properties diluted to 26.5%. The Company wrote off $3,226,319 in exploration and evaluation assets related to these properties during the year ended June 30, 2013.

Royalty Holdings

The company holds Net Smelter Return royalty interests on various mineral properties as follows:

Property	Owner	# of mineral tenures	NSR held by Anthem	Buyback Provisions
Wollaston Trend, Sask.	Denison Mines Corp.	27	2.0%	1.0% for $1M
Fir Island, Sask.	Forum Uranium Corp.	3	1.5% *	1.0% for $1M
Fond du Lac, Sask.	Lakeland Resources Inc.	1	1.5%	0.5% for $1M
Karpinka, Sask.	Forum Uranium Corp.	2	1.0%	0.5% for $1M
Kasmere, Man.	Canalaska Uranium Ltd.	1	2.0%	2.0% for $2M
Anomaly 7, NL.	Silver Spruce Resources Inc.	2	2.0% **	
Tropico, Mx.	Skeena Resources Limited	1	1.2%	0.6% buyable at fair market value

* 0.5% of NSR is payable by Anthem to another party
** 2% NSR is payable by Anthem to an underlying vendor, of which 1% is buyable for $0.5M
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7. INVESTMENT

Investment is comprised of common share holdings in Boss Power Corp. (“Boss Power”). The Company accounts for the investment using the equity method.

	September 30, 2014		
	Shares		Amount
Boss Power	27,250,000	$	6,731,435

The Company holds 27,250,000 (34.74%) common shares of Boss Power. The primary asset of Boss Power is the Blizzard Uranium Project, comprised of the Blizzard claim and certain surrounding mineral claims.

Due to the April 24, 2008 British Columbia government moratorium on uranium exploration and development, which constructively halted the development of the Blizzard Uranium Project, Boss Power wrote-down the investment.

7. INVESTMENT (Continued)

On October 16, 2008, Boss Power filed a Statement of Claim in the Supreme Court of British Columbia seeking compensation for the Blizzard project that was affected by the moratorium, and on June 2, 2014, Boss Power announced the closing of the settlement agreement with the province of British Columbia. As a result, the province paid $30,356,423 in full and final settlement of Boss Power's lawsuit against the province for the deemed expropriation of the Blizzard uranium deposit and related claims. In consideration of the settlement, Boss Power paid Anthem $400,000 as reimbursement of legal expenses that were incurred on Boss Power's behalf in previous years.

Summary financial information

Consolidated Balance Sheet		June 30, 2014 (in millions)		December 31, 2012 (in millions)
		(unaudited)		(audited)
Assets				
Current assets including cash	$	26.1	$	2.2
Liabilities and Shareholders' Equity				
Current liabilities	$	1.0	$	0.1
Shareholders' equity		25.1		2.1
	$	26.1	$	2.2
Number of Shares Outstanding		78.5		76.8

Boss Power had not released its September 30, 2014 reports as of the date of the approval of these statements.

Boss Power recorded net loss and comprehensive loss for the year ended December 31, 2013 of $1,929,612 (2012 - $454,500).

The Company recorded $6,656,770 (2013 - ($1,010,653) as its share of net income (loss) and comprehensive income (loss) for the year ended June 30, 2014. The Company recognized a dilution loss of $194,823 (2013 - $nil) for the year ended June 30, 2014. This amount has been included as part of the Company's share of equity income on the consolidated statement of operations and comprehensive loss.

8. EQUIPMENT

	Field Equipment	Computer Equipment	Furniture	Total
Cost				
Balance June 30, 2013	$ 108,380	$ 15,672	$ 6,116	$ 130,168
Additions	-	-	-	-
Balance June 30, 2014	108,380	15,672	6,116	130,168
Additions	-	-	-	-
Balance September 30, 2014	$ 108,380	$ 15,672	$ 6,116	$ 130,168
Accumulated amortization				
Balance June 30, 2013	$ 73,621	$ 13,214	$ 4,965	$ 91,800
Amortization for the year	6,952	737	230	7,919
Balance June 30, 2014	80,573	13,951	5,195	99,719
Amortization for the period	1,390	129	46	1,565
Balance September 30, 2014	$ 81,963	$ 14,080	$ 5,241	$ 101,284
Carrying amounts				
At June 30, 2014	$ 27,807	$ 1,721	$ 921	$ 30,449
At September 30, 2014	$ 26,417	$ 1,592	$ 875	$ 28,884

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel as follows at September 30:

	2014	2013
Short-term benefits	$ 31,026	$ 23,316
Share-based payments	-	-

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments paid to key management personnel during the three months ended September 30, 2014 and 2013.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes $208,159 (2013 - $104,675) due to directors or officers or companies with common officers and directors.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of voting common shares
Unlimited number of redeemable, retractable, convertible, preferred shares

(b) Private placements

On December 24, 2012, the Company issued 2,915,000 units at $0.14 per unit for proceeds of $408,100, each unit consisting of one flow-through common share and one-half of one non-flow-through share purchase warrant, with each whole warrant exercisable to acquire one non-flow-through share at $0.20 until December 24, 2014. Finders' fees of $27,143 were paid on a portion of the financing.

No share capital was issued during the three months ended September 30, 2014 nor was there share capital issued during the year ended June 30, 2014.

(c) Stock options and warrants

The Company's registered stock option plan authorizes the Company to grant incentive stock options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, as calculated on the date of grant. The options can be granted for a maximum term of five years. Stock options granted in relation to investor relations' activities vest in 25% increments over a period of a year from the grant date; all other stock options vest immediately.

On March 10, 2014, the Company granted 1,850,000 stock options to directors, officers and consultants, exercisable at $0.10 per option until March 10, 2019. The options were valued using the Black-Scholes option pricing model and have a fair value of $120,501.

On May 22, 2014, the Company granted 300,000 stock options to a new director, exercisable at $0.12 per option until May 22, 2019. The options were valued using the Black-Scholes option pricing model and have a fair value of $32,220.

Stock option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The following weighted average assumptions were used in the calculation of fair value of granted options:

	2014
Risk-free interest rate	1.69%
Expected life	5 years
Annualized volatility	96%
Dividend rate	0.00%

10. SHARE CAPITAL (continued)

(c) Stock options and warrants (continued)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, June 30, 2013	5,083,256	$ 0.98	1,226,667	$ 0.69
Expired	(2,268,950)	$ (0.89)	(43,333)	$ (1.28)
Issued/granted	-	-	2,150,000	$ 0.10
Outstanding, June 30, 2014	2,814,306	$ 0.88	3,333,334	$ 0.30
Expired	(1,356,806)	$ (0.89)	-	-
Outstanding, September 30, 2014	1,457,500	$ 0.88	3,333,334	$ 0.30
Number exercisable/fully vested	1,457,500	$ 0.88	3,239,584	$ 0.31

As at September 30, 2014, stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	1,100,000	$ 0.63	November 1, 2015
	83,334	$ 1.11	February 15, 2016
	1,850,000	$ 0.10	March 10, 2019
	300,000	$ 0.12	May 22, 2019
	3,333,334		
Warrants	1,457,500	$ 0.20	December 24, 2014

11. CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral 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 defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. 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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.