VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2014
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection, 4.3 (3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Viscount Mining Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review on condensed interim consolidated financial statements by an entity's auditor.

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at May 31, 2014 $	As at August 31, 2013 (Audited) $
ASSETS			
Current assets			
Cash and cash equivalents	3	97,734	281,801
Amounts receivable and prepaid expenses	4	72,689	320,686
		170,423	602,487
Exploration and evaluation properties	5	904,426	828,757
Total Assets		1,074,849	1,431,244
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	26,434	78,522
Due to related parties	7	170,540	155,842
Total Liabilities		196,974	234,364
SHAREHOLDERS' EQUITY			
Share capital	8	2,705,800	2,705,800
Subscriptions received in advance		250,000	-
Reserves	8	270,896	73,092
Accumulated deficit	8	(2,348,821)	(1,582,012)
Total shareholders' equity		877,875	1,196,880
Total Shareholders' Equity and Liabilities		1,074,849	1,431,244

Nature and continuance of Operations and Ability to Continue as a Going Concern (Note 1), **Commitments and Contingency** (Note 10), and **Event Occurring After the Reporting Date** (Note 14)

These condensed interim consolidated financial statements are authorized for issuance by the Board of Directors on July ____, 2014

On behalf of the Board:

"Jim MacKenzie" Director *"William Macdonald"* Director

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the nine Month Period Ended May 31, 2014 $	For the nine Month Period Ended May 31, 2013 $	For the Three Month Period Ended May 31, 2014 $	For the Three Month Period Ended May 31, 2013 $
Expenses					
Bank charges and interest	7	13,021	2,012	8,585	189
Consulting	7	372,035	163,707	276,394	53,996
Insurance		5,476	1,890	4,531	945
Legal and accounting	7	74,576	65,156	49,429	29,324
Office and miscellaneous		4,225	5,565	(2,522)	3,925
Promotion		29,098	2,942	2,996	1,462
Share-based payment	8	197,804	-	67,960	-
Transfer agent and filing fees		23,274	2,074	16,207	1,104
Travel		45,978	32,370	33,598	17,311
Net loss before other items		(765,487)	(275,716)	(457,178)	(108,256)
Other items					
Foreign exchange loss		(593)	(4,318)	(520)	(4,253)
Interest expense		(729)	-	2,348	-
Net loss and comprehensive loss for the period		(766,809)	(280,034)	(455,350)	(112,509)
Loss and comprehensive loss per share, basic and diluted		(0.04)	(0.02)	(0.02)	(0.01)
Weighted average number of common shares outstanding		19,525,000	13,934,337	19,525,000	14,775,000

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	For the Nine Month Period Ended May 31, 2014 $	For the Nine Month Period Ended May 31, 2013 $	For the Three Month Period Ended May 31, 2014 $	For the Three Month Period Ended May 31, 2013 $
Cash flows used in operating activities				
Net loss for the period	(766,809)	(280,034)	(455,350)	(112,509)
Adjustments for non-cash items				
Share-based payment	197,804	-	67,960	-
Changes in operating assets and liabilities:				
Decrease in amounts receivable and prepaid expenses	247,997	20,414	263,525	(8,514)
Increase in trade payables and accrued liabilities	(52,088)	(12,734)	(101,183)	(5,177)
	(373,096)	(272,354)	(225,048)	(126,200)
Cash flows used in investing activities				
Exploration and evaluation properties expenditures	(75,669)	(249,153)	(56,456)	(194,074)
Cash flows from financing activities				
Issuance of common shares	-	438,200	-	-
Subscriptions received in advance	250,000	-	250,000	-
Due to related parties	14,698	14,219	8,549	(36,812)
	264,698	452,419	258,549	(36,812)
Increase (decrease) in cash and cash equivalen	(184,067)	(69,088)	(22,955)	(357,086)
Cash and cash equivalents, beginning of period	281,801	112,354	120,689	400,352
)d	97,734	43,266	97,734	43,266

Supplemental Cash Flow Information (Note 9)

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MAY 31, 2014 AND 2013
(Expressed in Canadian dollars)
Unaudited)

		Common Shares		Reserves				
	Notes	Number of Shares	Share Capital	Warrants Reserve	Option Reserve	Share Subscriptions Received in Advance	Deficit	Total
			$	$	$	$	$	$
Balance at 31 August 2012		11,605,000	804,000			195,000	(501,267)	497,733
Common shares issued for cash	8	6,895,000	1,379,000		-	(195,000)	-	1,184,000
Share issue costs			(2,200)		-	-	-	(2,200)
Common shares issued for exploration and evauation properties	8	375,000	75,000		-	-	-	75,000
Net loss for the period		-	-	-	-	-	(280,034)	(280,034)
Balance – May 31, 2013		18,875,000	2,255,800	-	-	-	(781,301)	1,474,499
Balance – August 31, 2013		19,525,000	2,705,800	20,000	53,092	-	(1,582,012)	1,196,880
Share subscription received in advance	8	-	-	-	-	250,000	-	250,000
Share based payment	8	-	-	-	197,804	-	-	197,804
Share issue costs		-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	-	(766,809)	(766,809)
Balance – May 31, 2014		19,525,000	2,705,800	20,000	250,896	250,000	(2,348,821)	877,875

1. Nature and Continuance of Operations and Ability to Continue as a Going Concern

Viscount Mining Corp (formerly Faith Spring Venture Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act on October 26, 2011 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSXV").

On July 23, 2013, the Company completed a share exchange (the "Share Exchange") with Viscount Mining Resources Ltd. (formerly Viscount Mining Ltd.) ("Viscount") and all of the shareholders of Viscount, whereby the Company acquired all of the issued and outstanding common shares of Viscount and former Viscount's shareholders received equal number of common shares of the Company.

Concurrent with the Share Exchange, the Company changed its name to Viscount Mining Corp. and completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares, as approved by TSXV. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation. For accounting purposes, the Share Exchange has been treated as a Reverse Takeover ("RTO"), whereby Viscount is considered the acquirer and the Company is considered the acquiree. The condensed interim consolidated financial statements are a continuation of the financial statements of Viscount and references of the Company will mean the combined entity subsequent to the Share Exchange on July 23, 2013 and to Viscount prior to July 23, 2013 (Notes 8 and 11).

The Company had cash and cash equivalents of $97,734 at May 31, 2014 (August 31, 2013 - $281,801) and a working capital of $143,989 (August 31, 2013 - $523,965). Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the nine months ended May 31, 2014, the Company had no source of operating revenues, incurred an operating loss of $766,809 (2013 - $280,034) and, as at that date, had an accumulated deficit of $2,348,821 (August 31, 2013 - $1,582,012). If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is an exploration stage company and its principal business activity is natural resource exploration, focusing on resources located in the state of Nevada in the USA. Mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

The recoverability of the Company's investment in and expenditures on resource properties is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

The Company's registered office is located at Suite 600 – 666 Burrard Street, Vancouver, BC, V6C 3P6.

2. Significant Accounting Policies

Statement of Compliance

The condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the nine months ended May 31, 2014.

Basis of Preparation

The unaudited condensed interim consolidated financial statements were authorized for issue on July 29, 2014 by the directors of the Company.

Statement of Compliance and conversion to International Financial Reporting Standards

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standard 34 "*Interim Financial Reporting*" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended August 31, 2013, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and should be read in conjunction with the annual financial statements of the Company for the year ended 31 August 2013.

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Viscount Mining Resources Ltd and Viscount Nevada Holdings Ltd. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the condensed interim consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, the recoverability of the carrying value of the properties, the recognition and valuation of provisions for decommissioning liabilities, the recoverability and measurement of deferred

tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

New and Revised Accounting Standards

The following new and revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, and accordingly have now been adopted by the Company. The adoption of these standards and amendments has had no significant impact on the Company's interim condensed consolidated financial statements.

- IFRS 10 *'Consolidated Financial Statements'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and SIC-12.

- IFRS 11 *'Joint Arrangements'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces IAS 31 and SIC-13.

- IFRS 12 *'Disclosure of Interests in Other Entities'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

- IFRS 13 *'Fair Value Measurement'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces fair value measurement guidance in other IFRSs.

- IAS 19 (Amendment) *'Employee Benefits'* is effective for annual periods beginning on or after January 1, 2013 and revises recognition and measurement of post-employment benefits.

- IAS 27 (Amendment) *'Separate Financial Statements'* is effective for annual periods beginning on or after January 1, 2013 that prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28 (Amendment) *'Investments in Associates and Joint Ventures'* is effective for annual periods beginning on or after January 1, 2013 that prescribes the accounting 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.

New Accounting Standards and Interpretations Not Yet Adopted

At the date of authorization of these condensed interim consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the nine months ended May 31, 2014.

The following standards have been issued but are not yet effective:

- IFRS 9 *'Financial Instruments: Classification and Measurement'* is a new financial instruments standard effective for annual periods beginning on or after January 1, 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

- IAS 32 (Amendment) *'Financial Instruments: Presentation'* is effective for annual periods beginning on or after January 1, 2014 and revises certain aspects of the requirements on offsetting.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	As at May 31, 2014 $	As at August 31, 2013 (Audited) $
Denominated in Canadian dollars	97,324	229,242
Denominated in US dollars	410	52,559
	97,734	281,801

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	As at May 31, 2014 $	As at August 31, 2013 (Audited) $
Goods and Services Tax / Harmonized Sales Tax receivable	19,542	29,937
Share subscriptions receivable (Notes 8 and 14)	-	285,000
Interest receivable	179	179
Prepaid insurance	52,969	5,570
	72,689	320,686

Amounts receivable are non-interest bearing, unsecured and have settlement dates within one year.

5. Exploration and Evaluation Properties

A summary of the changes in the Company's exploration and evaluation properties for the nine months ended May 31, 2014 and for the year August 31, 2013 are as follows:

	As at May 31, 2014 $	As at August 31, 2013 (Audited) $
Balance beginning of year	828,757	476,691
Property acquisition	7,267	154,550
Staking new claims and claim maintenance	15,902	114,377
Consulting (Note 6)	52,500	88,604
Exploration	-	148,810
Legal fees	-	-
Option payment received	-	(154,275)
Balance	904,426	828,757

a) On March 31, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims located in White Pine Country, Nevada (the "Cherry Creek 1 Property"). On March 13, 2013, April 19, 2013 and May 21, 2013, the agreement was amended. Under the terms of the amended agreement, the Company is to make lease payments totaling US$535,000 as follows (Note 10):

i. US$10,000 within 15 days of signing of the agreement (paid);
ii. US$10,000 on or before March 31, 2012 (paid);
iii. US$75,000 and issue 375,000 common shares at a deemed price per share of $0.20 for a total value of $75,000 on or before March 31, 2013 (paid and issued) (Notes 8 and 9);
iv. US$165,000 on or before July 1, 2014; and
v. US$200,000 on or before March 31, 2015.

Upon payment of cumulative lease payments of US$535,000, the owner will transfer title to the Cherry Creek 1 Property to the Company. The Company will pay the owner a Net Smelter Royalty ("NSR") of 1.5% of net smelter proceeds.

On March 31, 2011, the Company granted a NSR of 1% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 1 Property.

Subsequent to the period end the Company amended the terms of the agreement, specifically in respect to the payment due on July 1, 2014 (Note 14).

b) On June 27, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims and two mill sites located in White Pine Country, Nevada (the "Cherry Creek 2 Property"). On May 21, 2013 and on June 23, 2014, the agreement was amended. The terms of the amended agreement call for the Company to make lease payments totaling US$420,000 as follows (Notes 10 and 14):

i. US$30,000 within 15 days of signing the agreement (paid);
ii. US$20,000 on or before June 27, 2012 (paid); and
iii. US$370,000 on or before July 1, 2014.

Upon payment of cumulative lease payments of US$420,000, the owner will transfer title to the Cherry Creek 2 Property to the Company. The Company will pay the owner a NSR of 1% of net smelter proceeds.

The Company has staked an additional 68 claims in the surrounding area.

On June 27, 2011, the Company granted a NSR of 1.5% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 2 Property.

Subsequent to the period end the Company amended the terms of the agreement, specifically in respect to the payment due on July 1, 2014 (Note 14).

c) On January 29, 2013, the Company entered into a Mining Lease and Agreement to Purchase for certain unpatented mining claims located in White Pine Country, Nevada (the "Ticup Property"). The terms of the agreement call for the Company to make lease payments totaling US$32,500 as follows (Note 10):

i. US$5,000 (CDN$5,037) within 5 days of signing of the agreement (paid);
ii. US$5,000 on or before January 29, 2014 (paid);
iii. US$5,000 on or before January 29, 2015;
iv. US$7,500 on or before January 29, 2016; and
v. US$10,000 on or before January 29, 2017.

Upon payment of cumulative lease payments of US$32,500, the owner will transfer title of the Ticup Property to the Company.

d) On January 31, 2013, the Company entered into an Option Agreement (the "Agreement") with Nevada Tungsten Holdings Ltd. (the "Optionee"), as amended on May 31, 2013, whereby the Company granted the Optionee the sole and exclusive right and option to acquire up to an undivided 100% right, title and interest in and to all tungsten located on certain of the Company's mining claims in the State of Nevada (the "Property"), by paying the following amounts to the Company:

i. US$150,000 (CDN$154,275) on or before April 15, 2013 (received);
ii. US$100,000 on or before June 15, 2014;
iii. US$50,000 on or before February 15, 2015; and
iv. Paying all such Property payments as may be required to maintain the mineral claims in good standing.

The Optionee shall use commercially reasonable efforts to incur the following annual exploration expenditures on the Property:

i. US$250,000 on or before the first anniversary of the execution of the Agreement;
ii. US$250,000 on or before the second anniversary of the execution of the Agreement; and
iii. US$1,000,000 on or before the third anniversary of the execution of the Agreement.

Subsequent to the period end the Company amended the terms of the agreement, specifically in respect to the payment due on July 15, 2014 (Note 14).

e) During the period ended May 31, 2014, the Company entered into a Letter of Intent with David C. and J. Knight Living Trust with the objective to enter into a Letter of Intent ("LOI") to conclude a lease to purchase agreement for a 96-claim property known as Silver Cliff ("the Property") located in Custer County, Colorado. The terms of the LOI include a lease to purchase agreement with a renewable 12-year term for 100% ownership of claims and includes a cash buyout clause with provisions for an exchange of common stock including warrants, and provides for a 2% net smelter royalty ("NSR") with optional buyout.

The Company agreed and paid the claim maintenance fees of US$13,710 (Cdn$15,190.68) for all claims on the project as a condition of the ongoing negotiation.

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

Included in trade payables and accrued liabilities as at May 31, 2014 is $1,560 (31 August 2013 - $9,544) trade payables balance acquired upon RTO (Notes 9 and 11).

Included in trade payables and accrued liabilities at May 31, 2014 is $10,510 (31 August 2013 - $46,714) incurred on exploration and evaluation property expenditures (Note 9).

7. Related Party Transaction

As at May 31, 2014, the balance due to related parties, who are officers, directors and/or shareholders, consists of $170,540 (August 31, 2013 - $155,842). Amounts owing relate to consulting services provide by the related parties or by companies controlled by the related parties and for expense reimbursements. On February 28, 2013, the Company entered into promissory note agreements with various related parties, whereby each balance payable is unsecured, bears interest of 8% per annum and matures on January 1, 2015 (Note 10).

Related Parties	Promissory note	Accounts payable for services	May 31, 2014	August 31, 2013 (Audited)
	$	$	$	$
Chief Executive Officer/Director	-	-	-	17,277
Chief Financial Officer	8,115	5,250	13,365	12,907
Chief Geologist	5,510	5,000	10,510	12,199
Director for consulting services	21,834	5,749	27,583	20,601
Director for legal services	53,404	65,678	119,082	92,858
	88,863	81,677	170,540	155,842

During the nine months ended May 31, 2014, the Company accrued interest of $6,051 (May 31, 2013 - $Nil) related to the promissory notes (Note 9).

The key management personnel compensation is summarized as follows:

	May 31, 2014	August 31, 2013 (Audited)
	$	$
Accounting fees	45,000	60,000
Consulting fees	212,500	280,300
Legal fees	17,527	61,925
	275,027	402,225

During the nine months ended May 31, 2014, a total of $55,000 (May 31, 2013 - $45,000) related to consulting fees are capitalized in exploration and evaluation properties (Note 5).

8. Share Capital

On July 23, 2013, the TSXV approved the share consolidation on a one new common share without par value for every two existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 1).

Authorized

At May 31, 2014, the authorized share capital consists of an unlimited number of common shares without par value and without special rights or restrictions attached and an unlimited number of preferred shares without par value and with special rights or restrictions.

Issued and Outstanding

As at May 31, 2014, the total issued and outstanding share capital is 19,525,000 common shares with no par value (August 31, 2013 – 19,525,000).

Share capital transactions of the Company to May 31, 2014 are summarized as follows:

a) During the nine months ended May 31, 2014, the Company received a total of $100,000 in relation to share subscriptions received in advance for shares at $0.20.

b) On July 23, 2013, the former shareholders of Viscount received one common share of the Company for each common share of Viscount held related to the completion of the Share Exchange (Note 11).

c) During the year ended August 31, 2013, the Company issued a total of 6,895,000 common shares for total proceeds of $1,379,000, of which $195,000 of the proceeds were received during the year ended August 31, 2012 and $285,000 of the proceeds are receivable as at August 31, 2013 (Note 4). The Company paid cash commission of $2,200 related to this issuance.

d) On July 23, 2013, a total of 1,600,000 founder shares of the Company were cancelled for consideration of $Nil (Note 9).

e) On March 24, 2013, the Company issued 375,000 common shares valued at $75,000 related to the Cherry Creek 1 Property (Notes 5 and 9).

f) On July 10, 2012, the Company issued 420,000 common shares for total proceeds of $84,000.

g) On November 18, 2011, the Company cancelled and returned to treasury 150,000 common shares in the amount $15,000 in relation to share subscriptions which were receivable as of August 31, 2011 (Note 9).

h) On November 17, 2011, the Company issued 200,000 common shares to settle $40,000 related to overpayment of share subscriptions amounts (Note 9).

i) On November 17, 2011, the Company issued 2,175,000 common shares for total proceeds of $229,000 of which share subscriptions in the amount of $139,000 were received in advance. Of this total amount, 200,000 shares were issued at $0.02 per common share for total proceeds of $4,000, 1,700,000 shares were issued at $0.10 per common share for total proceeds of $170,000 and 275,000 shares were issued at $0.20 per common share for total proceeds of $55,000.

j) On October 3, 2011, the Company issued 100,000 common shares for total proceeds of $20,000.

Escrow Shares

As at May 31, 2014, a total of 4,050,000 (August 31, 2013 – 4,860,000) common shares of the Company were in escrow. Pursuant to the terms of the escrow agreement dated February 13, 2013, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. These shares have been excluded from the calculation of weighted average common shares outstanding (Note 2).

Warrants

As at July 23, 2013, the date of the RTO, the Company had 100,000 share purchase warrants outstanding with an exercise price of $0.20 (Note 11). The following is a summary of the changes in the Company's share purchase warrants for the nine months ended May 31, 2014 and August 31, 2013:

	Number of Warrants Outstanding	Weighted average exercise price for the Nine Months Ended February 28, 2014	Number of Warrants Outstanding	Weighted average exercise price for the Year Ended August 31, 2013
		$		$
Outstanding, beginning of year	100,000	0.20	-	-
Warrants outstanding upon RTO	-	0.20	100,000	0.20
Outstanding, end of period	100,000	0.20	100,000	0.20

The following table summarizes information regarding share purchase warrants outstanding as at May 31, 2014:

Date issued	Number of Warrants Outstanding	Exercise Price $	Expiry Date
23 July 2013	100,000	0.20	26 October 2014
	100,000		

Stock Option Plan

On April 4, 2012, the Company adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the TSXV rules. Stock options granted under the Plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

As at July 23, 2013, the date of the RTO, the Company had 200,000 stock options outstanding with an exercise price of $0.20 (Note 11).

On August 21, 2013, the Company granted 1,250,000 five-year stock options at a purchase price of $0.20 per share to its directors and officers. The weighted average fair value of the 1,250,000 options granted was estimated at $233,762 at the grant date using the Black-Scholes Option Pricing Model, of which $13,092 has been expensed during the year ended August 31, 2013 and $175,636 is expensed during the nine months ended May 31, 2014.

The fair value of the stock options has been estimated using the Black-Scholes Option Pricing Model assuming a risk free interest rate of 1.79% per annum, an expected life of 5.00 years, an expected volatility of 163.27%, and no expected dividend. The expected volatility was determined using the average historical volatility of similar listed entities on the basis that the Company has limited historical information.

On September 2, 2013, the Company granted 150,000 five-year stock options at a purchase price of $0.20 per share to its directors and officers. The weighted average fair value of the 150,000 options granted was estimated at $28,209 at the grant date using the Black-Scholes Option Pricing Model, of which $22,168 has been expensed during the nine months ended May 31, 2014.

The fair value of the stock options has been estimated using the Black-Scholes Option Pricing Model assuming a risk free interest rate of 1.79% per annum, an expected life of 5 years, an expected volatility of 166.65%, and no expected dividend. The expected volatility was determined using the average historical volatility of similar listed entities on the basis that the Company has limited historical information.

On May 1, 2014, the Company granted 100,000 five-year stock options at a purchase price of $0.20 per share to an Investor Relations consultant. The fair value of the options granted will be calculated and reported on the vesting date using the Black-Scholes Option Pricing Model.

During the year the Company had 255,200 stock options with an exercise price of $0.20 expired unexercised.

The following is a summary of the changes in the Company's stock options for the nine months ended May 31, 2014 and year ended August 31, 2013:

	Number of Options Outstanding	Weighted average exercise price for the Nine Months Ended May 31, 2014	Number of Options Outstanding	Weighted average exercise price for the Year Ended August 31, 2013
		$		$
Outstanding, beginning of year	1,450,000	0.20		-
Options outstanding upon RTO	-	-	200,000	0.20
Expired options	(255,200)	0.20	-	-
Granted	250,000	0.20	1,250,000	0.20
Outstanding, end of period	1,444,800	0.20	1,450,000	0.20

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2014:

Date issued	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
			$	
July 23, 2013	19,800	19,800	0.20	26-Oct-22
August 21, 2013	1,175,000	1,175,000	0.20	21-Aug-18
September 2, 2013	150,000	150,000	0.20	02-Sep-18
May 1, 2014	100,000	-	0.20	01-May-16
	1,444,800	1,344,800		

Reserves

Warrant reserve

The warrants reserve represents the fair value of warrants issued on their issue date until such time that they are exercised, at which time the corresponding amount will be transferred to share capital. If warrants expire unexercised, the amount recorded remains in the account.

Option reserve

The options reserve records the fair value of items recognized as share-based payment expense on their issuance date until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If options expire unexercised, the amount recorded remains in the reserve.

9. Supplemental Cash Flow Information

The Company made the following cash payments for interest and income taxes:

	May 31, 2014	May 31, 2013
	$	$
Interest paid (received)	-	-
Taxes paid	-	-
Total cash payments	-	-

Included in trade payables and accrued liabilities as at May 31, 2014 is $1,560 (31 August 2013 - $9,544) trade payables balance acquired upon RTO (Notes 6 and 11).

Included in trade payables and accrued liabilities at May 31, 2014 is $10,510 (31 August 2013 - $46,714) incurred on exploration and evaluation property expenditures (Note 6).

During the nine months ended May 31, 2014, the Company accrued interest of $6,051 (31 May 2013 - $Nil) related to the promissory notes (Note 7).

On July 23, 2013, a total of 1,600,000 founder shares of the Company were cancelled for consideration of $Nil (Note 8).

On March 24, 2013, the Company issued 375,000 common shares valued at $75,000 related to the Cherry Creek 1 Property (Notes 5 and 8).

On November 18, 2011, the Company cancelled and returned to treasury 150,000 common shares in the amount $15,000 in relation to share subscriptions which were receivable as of August 31, 2011 (Note 8).

On November 17, 2011, the Company issued 200,000 common shares to settle $40,000 related to overpayment of share subscriptions amounts (Note 8).

10. Commitments and Contingency

The Company is committed to making cash payments, incurring exploration expenditures and/or issuing common shares pursuant to its exploration and evaluation property agreements (Note 5).

The Company is committed to making cash repayments pursuant to its related party promissory note agreements (Note 7).

The Company is disputing the attempt of a third party to charge certain consulting charges in the amount of $2,820. Management does not consider these amounts to be payable and these amounts have not been recorded in the condensed interim consolidated financial statements. However, there is no assurance that a formal claim will not be made against the Company for some or all of these amounts in the future.

11. Share Exchange

The Company completed the Share Exchange with Viscount on July 23, 2013. Pursuant to the Share Exchange, the Company acquired all of the issued and outstanding common shares of Viscount whereby former Viscount's shareholders received one common share of the Company for each Viscount common share held (Notes 1 and 8).

As a result of the Share Exchange, the shareholders of Viscount owned approximately 87% of the issued and outstanding common shares of the Company on a diluted basis. For accounting and reporting purposes, Viscount is the accounting acquirer and the Company is the accounting acquiree because of the significant holdings and influence of the control group of Viscount before and after the Share Exchange. The Company did not meet the definition of a business for accounting purposes because it is a shell company with no ongoing business operations and, accordingly, the RTO has been accounted for as a share-based payment transaction. As a result, the difference between the fair value of the consideration deemed to have been paid by the accounting acquirer and the fair value of the identifiable net assets of the accounting acquiree is expensed.

The results of operations of the Company are included in the condensed interim consolidated financial statements from July 23, 2013, the date of the RTO.

The net assets acquired at fair value on July 23, 2013 are as follows:

Description	Amount $
Consideration paid	
2,250,000 common shares	450,000
200,000 stock options	40,000
100,000 warrants	20,000
	510,000
Less: Value of Net Assets	
Cash	54,440
Trade payables	(9,544)
	44,896
Listing expense	465,104

The fair values of the stock options and warrants have been estimated using the Black-Scholes Option Pricing Model assuming a risk free interest rate of 1.14% per annum, an expected life ranging from 1.26 to 9.27 years, an expected volatility ranging from 135.77% to 162.97%, and no expected dividend. The expected volatility was determined using the average historical volatility of similar listed entities on the basis that the Company has limited historical information.

12. Financial Risk Management

(a) Overview

	As at May 31, 2014 $	As at August 31, 2013 (Audited) $
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	97,734	281,801
Amounts receivable	0	285,000
Total financial assets	97,734	566,801
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	26,434	78,522
Total financial liabilities	26,434	78,522

The Company has exposure to credit risk, liquidity risk, foreign currency risk, and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents. The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

The carrying value of the Company's cash and cash equivalents represent the maximum exposure to credit risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash and cash equivalents are currently invested in business and savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. As at May 31, 2014, the Company had cash and cash equivalents balance of $97,734 (August 31, 2013 $281,801) to settle current liabilities of $26,434 (August 31, 2013 $78,522). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(e) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. However, the Company does not hold any interest-bearing debt. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash balances mature impact interest income earned.

(f) Foreign Currency Risk

As at May 31, 2014, the Company's expenditures are in Canadian dollars, any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign currency risk.

(g) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company

consists of equity, comprising share capital, net of accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Company manages its capital structure through the issuance of new shares, acquisition or disposition of assets or adjustment of cash. The Company does not have any major capital expenditures committed for the coming year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements other than disclosed in Note 1.

(h) Fair Value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed interim consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at May 31, 2014	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial assets at fair value				
Cash and cash equivalents	97,734	-	-	97,734
Total	97,734	-	-	97,734

As at August 31, 2013	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial assets at fair value				
Cash and cash equivalents	281,801	-	-	281,801
Total	281,801	-	-	281,801

13. Segmented Information

The Company's only business activity is exploration and development of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the nine months ended May 31, 2014 and 2013 and for the year ended August 31, 2013 is as follows:

Nine months ended May 31, 2014	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	766,809	-	766,809
Current assets	170,423	-	170,423
Exploration and evaluation properties	-	904,426	904,426
Total assets	170,423	904,426	1,074,849

Year ended August 31, 2013	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	612,614	-	612,614
Current assets	602,487	-	602,487
Exploration and evaluation properties	-	828,757	828,757
Total assets	602,487	828,757	1,431,244

Nine months to May 31, 2013	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	280,034	-	280,034
Current assets	294,006	-	294,006
Exploration and evaluation properties	-	794,784	794,784
Total assets	294,006	794,784	1,088,790

14. Event Occurring after the Reporting Date

The following reportable events occurring from the date of the nine months ended May 31, 2014, to the date the financial statements were available to be issued on July 29, 2014.

a) On June 12, 2014, the Company, amended the Option Agreement with Nevada Tungsten Holdings Ltd., as amended on May 31, 2013, whereby the Company granted the Optionee the sole and exclusive right and option to acquire up to an undivided 100% right, title and interest in and to all tungsten located on certain of the Company's mining claims in the State of Nevada, by paying the following amounts to the Company:

b) US$150,000 (CDN$154,275) on or before April 15, 2013 (received);
c) US$100,000 on or before September 15, 2014;

d) US$50,000 on or before February 15, 2015; and
e) Paying all such Property payments as may be required to maintain the mineral claims in good standing.

All other terms and conditions remained unchanged (note 5).

a) On June 17, 2014 the Company announce it had signed an agreement with Sumitomo Corporation of Americas ("SCOA") to conduct an exploration program on the Company's flagship property located in Cherry Creek, Nevada.

b) On June 18, 2014, the Company, amended the Agreement to Purchase for certain patented and unpatented mining claims located in White Pine Country, Nevada (the "Cherry Creek 1 Property"). Under the terms of the amended agreement, the Company is to make lease payments totaling US$551,500 as follows:

i. US$10,000 within 15 days of signing of the agreement (paid);
ii. US$10,000 on or before March 31, 2012 (paid);
iii. US$75,000 and issue 375,000 common shares at a deemed price per share of $0.20 for a total value of $75,000 on or before March 31, 2013 (paid and issued) (Notes 8 and 9);
iv. US$181,500 on or before October 1, 2014; and
v. US$200,000 on or before March 31, 2015.

All other terms and conditions remained unchanged (note 5).

f) On June 19, 2014 the Company closed a private placement for shares offered at $0.20 per share. A total of 1,250,000 shares were issued for an aggregate value of $250,000.

g) On June 23, 2014, the Company, amended the agreement to purchase for certain patented and unpatented mining claims and two mill sites located in White Pine Country, Nevada (the "Cherry Creek 2 Property"). The terms of the amended agreement call for the Company to make lease payments totaling US$450,000 as follows:

i. US$30,000 within 15 days of signing the agreement (paid);
ii. US$20,000 on or before June 27, 2012 (paid); and
iii. US$400,000 on or before October 1, 2014.

All other terms and conditions remained unchanged (note 5).

h) On July 11, 2014, pursuant to the terms of the Company's stock option plan the Company issued 255,200 incentive stock options exercisable at the price of $0.20 for a period of five years.

i) On July 29, 2014, The Company, announced that it has competed a tranche of a private placement financing of up to 10,000,000 shares at a price of $0.20 per share for gross proceeds of up to $2 million. The Company has sold 1,000,000 shares for gross proceeds of $200,000.