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

CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013

(Expressed in Canadian Dollars)

JAMES STAFFORD

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Viscount Mining Corp.
(formerly Faith Spring Venture Inc.)

We have audited the accompanying consolidated financial statements of Viscount Mining Corp. (formerly Faith Spring Venture Inc.) (the "Company") which comprise the consolidated statements of financial position as at August 31, 2013 and 2012 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years ended August 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2013 and 2012 and the results of its operations and its cash flows for the years ended August 31, 2013 and 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

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



Chartered Accountants
Vancouver, Canada
23 December 2013

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

	Notes	As at August 31, 2013 $	As at August 31, 2012 $
ASSETS			
Current assets			
Cash and cash equivalents	3	281,801	112,354
Amounts receivable and prepaid expenses	4	320,686	40,797
		602,487	153,151
Exploration and evaluation properties	5	828,757	476,691
Total Assets		1,431,244	629,842
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	6	78,522	20,337
Due to related parties	7	155,842	111,772
Total Liabilities		234,364	132,109
SHAREHOLDERS' EQUITY			
Share capital	8	2,705,800	804,000
Share subscriptions received in advance	8	-	195,000
Reserves	8	73,092	-
Accumulated deficit		(1,582,012)	(501,267)
Total shareholders' equity		1,196,880	497,733
Total Liabilities and Shareholders' Equity		1,431,244	629,842

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments and Contingency (Note 10)
Events Occurring After the Reporting Date (Note 15)

These consolidated financial statements are authorized for issuance by the Board of Directors on December 23, 2013

On behalf of the Board:

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

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

	Notes	Year Ended August 31, 2013 $	Year Ended August 31, 2012 $
Expenses			
Bank charges and interest	7	10,340	1,223
Consulting	7	320,627	215,710
Insurance		3,817	4,445
Legal and accounting	7	155,274	116,969
Office and miscellaneous		20,199	15,792
Promotion		12,426	6,077
Share-based payment	8	13,092	-
Transfer agent and filing fees		11,112	3,914
Travel		65,727	20,300
Net loss before other items		(612,614)	(384,430)
Other items			
Foreign exchange loss		(3,240)	(2,682)
Interest income		213	-
Listing expense	11	(465,104)	-
Net loss and comprehensive loss for the year		(1,080,745)	(387,112)
Loss and comprehensive loss per share, basic and diluted		(0.07)	(0.04)
Weighted average number of common shares outstanding		15,126,027	10,767,096

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

	Year Ended August 31, 2013 $	Year Ended August 31, 2012 $
Cash flows used in operating activities		
Net loss for the year	(1,080,745)	(387,112)
Adjustments for non-cash items		
Share-based payment	13,092	-
Listing expense	465,104	-
Accrued interest	9,077	-
Changes in operating assets and liabilities		
Increase in amounts receivable and prepaid expenses	5,290	(5,224)
Increase (decrease) in trade payables and accrued liabilities	(2,197)	(41,063)
	(590,379)	(433,399)
Cash flows used in investing activities		
Cash acquired through Share Exchange	54,440	-
Exploration and evaluation property expenditures	(230,352)	(213,077)
	(175,912)	(213,077)
Cash flows from financing activities		
Issuance of common shares, net of share issuance costs	896,800	194,000
Due to related parties	38,938	111,772
Share subscriptions received in advance	-	195,000
	935,738	500,772
Increase (decrease) in cash and cash equivalents	169,447	(145,704)
Cash and cash equivalents, beginning of year	112,354	258,058
Cash and cash equivalents, end of year	281,801	112,354

Supplemental Cash Flow Information (Note 9)

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED AUGUST 31, 2013 AND 2012
(Expressed in Canadian dollars)

	Notes	Number of Shares	Share Capital $	Option Reserve $	Warrant Reserve $	Share Subscriptions Received in Advance $	Deficit $	Total $
Balance at August 31, 2011		8,860,000	446,000	-	-	139,000	(114,155)	470,845
Common shares issued for cash	8	2,695,000	333,000	-	-	(139,000)	-	194,000
Common shares issued for settlement of balance due to shareholders	8	200,000	40,000	-	-	-	-	40,000
Common shares cancelled	8	(150,000)	(15,000)	-	-	-	-	(15,000)
Share subscriptions received in advance	8	-	-	-	-	195,000	-	195,000
Net loss for the year		-	-	-	-	-	(387,112)	(387,112)
Balance at August 31, 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 issuance costs	8	-	(2,200)	-	-	-	-	(2,200)
Common shares issued for exploration and evaluation properties	8	375,000	75,000	-	-	-	-	75,000
Common shares cancelled	8	(1,600,000)	-	-	-	-	-	-
Common shares issued for Share Exchange	11	2,250,000	450,000	40,000	20,000	-	-	510,000
Share-based payment	8	-	-	13,092	-	-	-	13,092
Net loss for the year		-	-	-	-	-	(1,080,745)	(1,080,745)
Balance at August 31, 2013		19,525,000	2,705,800	53,092	20,000	-	(1,582,012)	1,196,880

The accompanying notes are an integral part of these consolidated financial statements.

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 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 $281,801 at August 31, 2013 (2012 - $112,354) and working capital of $523,965 (2012 - $132,814), but 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 year ended August 31, 2013, the Company had no source of operating revenues, incurred an operating loss of $1,080,745 (2012 - $387,112) and, as at that date, had an accumulated deficit of $1,582,012 (2012 - $501,267). 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 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 400 – 570 Granville Street, Vancouver, BC, V6C 3P1.

2. Significant Accounting Policies

Statement of Compliance

The 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 year ended August 31, 2013.

Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

Basis of Consolidation

The Company's consolidated financial statements include the accounts of the Company and its subsidiaries. A subsidiary is an entity (including special purpose entity) controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company, and is de-consolidated from the date that control ceases.

The following subsidiaries have been consolidated for all dates presented within these financial statements, and are wholly owned: Viscount Mining Resources Ltd. and Viscount Nevada Holdings Ltd. ("Viscount Nevada"). Viscount Nevada was inactive as at and during the years ended August 31, 2013 and 2012.

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

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's 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 consolidated 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 recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Financial Assets

Financial assets are classified as loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss ("FVTPL"), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Cash and cash equivalents are included in this category of financial assets.

Held to Maturity and Loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are included in this category of financial assets.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Impairment of Financial Assets

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

De-recognition of Financial Assets and Liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of Non-Current Non-Financial Assets

The carrying amounts of non-current non-financial assets are reviewed and evaluated for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. Non-current non-financial assets include property, plant, and equipment. If the recoverable amount is less than the carrying amount of the asset, an impairment loss is recognized and the asset is written down to recoverable value.

The recoverable amount is the higher of an asset's "fair value less costs to sell" and "value-in-use". Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined, with a cash - generating unit being the smallest identifiable group of assets and liabilities that generate cash inflows independent from other assets. "Fair value less costs to sell" is determined as the amount that would be obtained from the sale of the asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties. In assessing "value-in-use", the future cash flows expected to arise from the continuing use of the asset or cash-generating unit in its present form are estimated using assumptions that an independent market participant would consider appropriate, and are then discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or unit.

Where conditions that gave rise to a recognized impairment loss are subsequently reversed, the amount of such reversal is recognized into earnings immediately, though is limited such that the revised carrying amount of the asset or cash-generating unit does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in the prior period.

Exploration and Evaluation Expenditures

The Company records deferred exploration costs, which consist of costs attributable to the investment in and exploration of resource property interests, at cost. All direct and indirect costs relating to the acquisition and exploration of the resource interests, net of recoveries, are capitalized on the basis of specific claim blocks until the resource interests to which they relate are placed into production, the resource interests are disposed of through sale or where management has determined there to be an impairment.

On an ongoing basis, the capitalized costs are reviewed on a property-by-property basis to consider whether there are any conditions that indicate impairment on the subject property. When such conditions are identified, an impairment loss is recognized for the difference between the fair value and carrying value.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in net income (loss). In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

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 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 exploration and evaluation assets 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 mining assets 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.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to net income (loss) for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to net income (loss) in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Per Share Information

Basic per share amounts are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of warrants and stock options (Note 8).

Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are 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 the stock options reserve. The fair value of options is determined using the Black-Scholes Option 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 will eventually vest.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Income Taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred 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 the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Foreign Currencies

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Comparative Figures

Certain comparative figures have been reclassified in accordance with the current year's presentation.

Change in Accounting Policy

The Company adopted IAS 1 (Amendment), '*Presentation of Financial Statements*', effective July 1, 2012, which includes amendments regarding presentation of items of other comprehensive income. The adoption of IAS 1 did not result in a significant impact on the Company's consolidated financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

At the date of authorization of these 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 year ended August 31, 2013.

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.

- 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.

- 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

	2013 $	2012 $
Denominated in Canadian dollars	229,242	108,527
Denominated in US dollars	52,559	3,827
	281,801	112,354

Included in cash and cash equivalents as at August 31, 2013 is $54,440 (2012 - $Nil) cash balance acquired upon RTO (Note 11).

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	2013 $	2012 $
Goods and Services Tax / Harmonized Sales Tax receivable	29,937	37,810
Share subscriptions receivable (Notes 8 and 15)	285,000	-
Interest receivable	179	-
Prepaid insurance	5,570	2,987
	320,686	40,797

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 years ended August 31, 2013 and 2012 are as follows:

	2013 $	2012 $
Balance, beginning of year	476,691	246,823
Property acquisition	154,550	30,990
Staking new claims and maintenance	114,377	17,983
Consulting (Note 7)	88,604	146,015
Exploration	148,810	5,282
Legal fees	-	29,598
Option payment received	(154,275)	-
Balance, end of year	828,757	476,691

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.

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, the agreement was amended. The terms of the amended agreement call for the Company to make lease payments totaling US$420,000 as follows (Note 10):

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.

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;
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 February 28, 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 February 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.

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 August 31, 2013 is $9,544 (2012 - $Nil) trade payables balance acquired upon RTO (Notes 9 and 11).

Included in trade payables and accrued liabilities at August 31, 2013 is $46,714 (2012 - $16,791) incurred on exploration and evaluation property expenditures (Note 9).

7. Related Party Transactions

As at August 31, 2013, the balance due to related parties, who are officers, directors and/or shareholders, consists of $155,842 (2012 - $111,772). 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 Notes $	Trade Payables for Services $	August 31, 2013 $	August 31, 2012 $
Chief Executive Officer / Director	17,277	-	17,277	20,000
Chief Financial Officer	7,657	5,250	12,907	4,825
Chief Geologist	5,199	7,000	12,199	10,000
Director for consulting services	20,601	-	20,601	34,230
Director for legal services	50,389	42,469	92,858	42,717
	101,123	54,719	155,842	111,772

During the year ended August 31, 2013, the Company accrued interest of $5,132 (2012 - $Nil) related to the promissory notes (Note 9).

The key management personnel compensation is summarized as follows:

	August 31, 2013 $	August 31, 2012 $
Accounting fees	60,000	60,000
Consulting fees	280,300	220,000
Legal fees	61,925	40,686
	402,225	320,686

A total of $64,000 (2012 - $60,000) related to consulting fees are capitalized in exploration and evaluation properties (Note 3).

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 August 31, 2013, 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 August 31, 2013, the total issued and outstanding share capital is 19,525,000 common shares with no par value (2012 – 11,605,000).

Share capital transactions of the Company during the years ended August 31, 2013 and 2012 are summarized as follows:

a) 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).

b) 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 (Notes 4 and 15). The Company paid cash commission of $2,200 related to this issuance.

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

d) On March 24, 2013, the Company issued 375,000 common shares valued at $75,000 related to the Cherry Creek 1 Property (Notes 3 and 9).

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

f) 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).

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

h) 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.

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

Escrow Shares

As at August 31, 2013, a total of 4,860,000 (2012 - Nil) 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 years ended August 31, 2013 and 2012:

	August 31, 2013		August 31, 2012	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of year	-	-	-	-
Warrants outstanding upon RTO	100,000	0.20	-	-
Outstanding, end of year	100,000	0.20	-	-

The following table summarizes information regarding share purchase warrants outstanding as at August 31, 2013:

Date issued	Number of warrants	Exercise price $	Expiry date
July 23, 2013	100,000	0.20	October 26, 2014
	100,000		

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.

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.

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.

The following is a summary of the changes in the Company's stock options for the years ended August 31, 2013 and 2012:

	August 31, 2013		August 31, 2012	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding, beginning of year	-	-	-	-
Options outstanding upon RTO	200,000	0.20	-	-
Granted	1,250,000	0.20	-	-
Outstanding, end of year	1,450,000	0.20	-	-

The following table summarizes information regarding stock options outstanding and exercisable as at August 31, 2013:

Date issued	Number of options outstanding	Number of options exercisable	Exercise price $	Expiry date
July 23, 2013	200,000	200,000	0.20	October 26, 2022
August 21, 2013	1,250,000	-	0.20	August 21, 2018
	1,450,000	200,000		

9. Supplemental Cash Flow Information

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

	August 31, 2013 $	August 31, 2012 $
Interest paid (received)	34	-
Taxes paid	-	-
Total cash payment	34	-

Included in trade payables and accrued liabilities as at August 31, 2013 is $9,544 (2012 - $Nil) trade payables balance acquired upon RTO (Notes 6 and 11).

Included in trade payables and accrued liabilities at August 31, 2013 is $46,714 (2012 - $16,791) incurred on exploration and evaluation property expenditures (Note 6).

During the year ended August 31, 2013, the Company accrued interest of $5,132 (2012 - $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 3 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 3).

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 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 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 August 31, 2013 $	As at August 31, 2012 $
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	281,801	112,354
Amounts receivable	285,179	-
Total financial assets	566,980	112,354
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	64,022	13,337
Total financial liabilities	64,022	13,337

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 August 31, 2013, the Company had cash and cash equivalents balance of $281,801 to settle current liabilities of $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 August 31, 2013, 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 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 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

As at August 31, 2012	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value				
Cash and cash equivalents	112,354	-	-	112,354
Total	112,354	-	-	112,354

13. Income Taxes

(a) Provision for current tax

No provision has been made for current income taxes, as the Company has no taxable income for the year ended August 31, 2013.

(b) Provision for deferred tax

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	Year ended August 31, 2013 $	Year ended August 31, 2012 $
Loss for the year	1,080,745	387,112
Expected income tax recovery August 31, 2013 – 25.42% (2012 - 13.50%)	274,689	52,260
Effect of change in statutory rate and other	4,087	-
Change in prior year provision to actual	59,424	-
Permanent differences	(121,541)	(256)
Change in unrecognized deferred tax assets	(216,659)	(52,004)
Deferred tax expense (recovery)	-	-

Deferred Tax Assets and Liabilities

The significant components of the Company's deferred tax assets and liabilities are as follows:

	August 31, 2013 $	August 31, 2012 $
Tax losses carried forward	286,216	67,415
Exploration and evaluation properties	(2,600)	-
Share issue costs	458	-
Unrecognized deferred tax assets	(284,074)	(67,415)
Deferred tax liability	-	-

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax to be recovered.

As at August 31, 2013, the Company has estimated foreign exploration and development expenses of $818,757 and non-capital losses for Canadian tax purposes of $1,100,831 that may be carried forward to reduce taxable income derived in future years, as summarized below:

Non-capital Canadian tax losses expiring are as follows:

Year of Expiry	Amounts $
2031	114,155
2032	383,687
2033	602,989
	1,100,831

14. 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 years ended August 31, 2013 and 2012 is as follows:

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

Year ended August 31, 2012	**Canada** **$**	**USA** **$**	**Total** **$**
Total expenses	384,430	-	384,430
Current assets	153,151	-	153,151
Exploration and evaluation properties	-	476,691	476,691
Total assets	153,151	476,691	629,842

15. Events Occurring after the Reporting Date

The following reportable events occurred from the date of the year ended August 31, 2013 to the date the consolidated financial statements were authorized for issuance by the Board of Directors on December 23, 2013:

a) On September 2, 2013, the Company granted 150,000 stock options to a director, exercisable at $0.20 per common share until September 2, 2018.

b) On September 24, 2013 and December 23, 2013, the Company the $285,000 subscription receivable as at August 31, 2013 (Notes 4 and 8).