PRESCIENT MINING CORP.

June 30, 2013 and 2012

(Expressed in Canadian Dollars)

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Independent Auditors' Report

To the Shareholders of:
PRESCIENT MINING CORP.

We have audited the accompanying financial statements of Prescient Mining Corp. which comprise the statements of financial position as at June 30, 2013 and 2012, the statements of changes in equity, comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prescient Mining Corp. as at June 30, 2013 and 2012, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter – Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the ability of Prescient Mining Corp. to continue as a going concern. The company incurred a net loss of $393,489 during the year ended June 30, 2013, and as of that date, had accumulated losses since inception of $1,329,553. These conditions, along with other matters explained in Note 1 of the financial statements, indicate the existence of material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if Prescient Mining Corp. was unable to continue as a going concern.

"WDM Chartered Accountants"

Vancouver, B.C., Canada
October 15, 2012

PRESCIENT MINING CORP.

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	June 30, 2013 $	June 30, 2012 $
ASSETS			
CURRENT			
Cash and cash equivalents		644,713	1,092,557
Interest receivable		4,748	9,362
GST/HST recoverable		5,835	10,225
Prepaid expenses and deposits	6 & 8(c)	62,240	7,635
		717,536	1,119,779
Equipment	5	1,009	1,441
		718,545	1,121,220
LIABILITY			
CURRENT			
Accounts payable and accrued liabilities	8(c)	24,345	46,668
SHAREHOLDERS' EQUITY			
Share capital	7	1,848,395	1,837,145
Share-based payment reserve		175,358	174,226
Deficit		(1,329,553)	(936,819)
		694,200	1,074,552
		718,545	1,121,220

Nature of operations (Note 1)
Exploration and evaluation assets (Note 6)

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

Approved on Behalf of the Board:

"Marc Levy"
Marc Levy, Director

"Gordon Addie"
Gordon Addie, Director

PRESCIENT MINING CORP.

Statements of Changes in Equity

For the Years Ended June 30, 2013 and 2012

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital $	Share-Based Payment Reserve $	Deficit $	Total $
Balance, June 30, 2011		15,890,000	1,837,145	156,540	(621,059)	1,372,626
Comprehensive loss for the year		-	-	-	(315,760)	(315,760)
Share-based payments	7(d)	-	-	17,686	-	17,686
Balance, June 30, 2012		15,890,000	1,837,145	174,226	(936,819)	1,074,552
Comprehensive loss for the year		-	-	-	(393,489)	(393,489)
Shares issued for exploration and evaluation asset	6	150,000	11,250	-	-	11,250
Forfeited options		-	-	(755)	755	-
Share-based payments	7(d)	-	-	1,887	-	1,887
Balance, June 30, 2013		16,040,000	1,848,395	175,358	(1,329,553)	694,200

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

PRESCIENT MINING CORP.

Statements of Comprehensive Loss

For the Years Ended June 30, 2013 and 2012
(Expressed in Canadian Dollars)

	Note	2013 $	2012 $
EXPENSES			
Depreciation		432	422
Consulting fees		29,600	34,050
Exploration and evaluation	6	88,250	19,075
Management fees	8(b)	17,500	17,000
Office, rent and administration	8(a),8(b)	81,745	58,751
Professional fees	8(a)	18,236	28,670
Project evaluation costs	8(a)	142,944	74,822
Regulatory fees		10,795	12,204
Share-based payments	7(d),8(b)	1,887	17,686
Transfer agent and shareholder information		7,815	6,839
Travel and promotion		3,674	61,266
LOSS BEFORE OTHER ITEM		(402,878)	(330,785)
Interest income		9,389	15,025
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(393,489)	(315,760)
BASIC AND DILUTED LOSS PER SHARE		(0.02)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		16,028,082	15,890,000

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

PRESCIENT MINING CORP.

Statements of Cash Flows

For the Years Ended June 30, 2013 and 2012
(Expressed in Canadian Dollars)

	2013 $	2012 $
CASH WAS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the year	(393,489)	(315,760)
Adjustments for non-cash items		
Depreciation	432	422
Shares issued for exploration and evaluation asset	11,250	-
Share-based payments	1,887	17,686
Changes in non-cash working capital accounts		
Interest receivable	4,614	1,336
HST/GST recoverable	4,390	(6,753)
Prepaid expenses and deposits	(54,605)	(6,135)
Accounts payable and accrued liabilities	(22,323)	31,225
	(447,844)	(277,979)
INVESTING ACTIVITY		
Purchase of equipment	-	(910)
DECREASE IN CASH AND CASH EQUIVALENTS	(447,844)	(278,889)
Cash and cash equivalents, beginning of year	1,092,557	1,371,446
CASH AND CASH EQUIVALENTS, END OF YEAR	644,713	1,092,557
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cheques written in excess of cash on hand	(3,087)	(30,743)
Guaranteed Investment Certificates	647,800	1,123,300
	644,713	1,092,557
SUPPLEMENTARY INFORMATION:		
Interest paid	-	-
Income taxes paid	-	-

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

NOTE 1 – NATURE OF OPERATIONS

Prescient Mining Corp. (the "Company") was incorporated on December 21, 2006, under the laws of the *Business Corporations Act* (British Columbia). The Company's shares are traded on the TSX Venture Exchange (the "Exchange") under the symbol "PMC."

The head office, principal address, and records office of the Company are located at Suite 507 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company's registered office address is located at Suite 1780 – 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

The Company is engaged in the acquisition, exploration, and development of resource properties. The Company's ability to continue as a going concern is dependent upon the ability of the Company to raise additional financing in order to complete the acquisition, exploration, and development of its resource properties, the discovery of economically recoverable reserves, and the attainment of future profitable production or proceeds from disposition of the Company's resource properties. The outcome of these matters cannot be predicted at this time.

These financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year.

The Company will require additional financing as it acquires mineral properties or interests therein. There is no assurance that it will be able to obtain such financing, if any, on reasonable terms. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorized for issue on October 15, 2013, by the Directors of the Company. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 15, 2013.

(b) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company have been prepared on a historical cost basis.

(c) Functional and Presentation of Foreign Currency

The financial statements are presented in Canadian dollars unless otherwise noted. The functional currency and presentation currency of the Company is the Canadian dollar.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents consists of cash balances and short-term highly liquid investments which are readily convertible into cash and that are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, total cash and cash equivalents include cash and guaranteed investment certificates ("GIC") with maturities of less than one year and redeemable anytime at the option of the holder.

(e) Equipment and Depreciation

Equipment is carried at acquisition cost less accumulated depreciation.

Depreciation is calculated on a declining-balance basis to write off the cost of the assets to their residual values over their estimated useful lives, except in the year of acquisition, when half of the rate is used. The annual rate used to compute depreciation is as follows:

Computer hardware	30%

(f) Exploration and Evaluation Assets and Expenditures

Exploration and evaluation activity begins when the Company obtains legal rights to explore a specific area and involves the search for mineral reserves, the determination of technical feasibility and the assessment of commercial viability of an identified mineral resource. Expenditures incurred in the exploration and evaluation phase include the cost of acquiring interests in mineral rights, licenses and properties, and the costs of the Company's exploration activities, such as researching and analyzing existing exploration data, gathering data through geological studies, exploratory drilling, trenching, sampling, and certain feasibility studies.

Exploration and evaluation expenditures incurred prior to the determination of commercially viable mineral resources, the feasibility of mining operations, and a positive development decision, are expensed as incurred. Mineral property acquisition costs and development expenditures incurred subsequent to such a determination are capitalized and amortized over the estimated life of the property following the commencement of commercial production or are written off if the property is sold, allowed to lapse, abandoned, or when an impairment is determined to have occurred.

(g) Decommissioning Obligations

A liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized decommissioning costs will be amortized to expense over the life of the related assets using the units-of-production method. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows.

As at June 30, 2013 and June 30, 2012, the Company has determined that it does not have material decommissioning obligations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of Financial Assets

A financial asset not carried at fair value through profit or loss is reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss with a corresponding reduction in the financial asset, or in the case of amounts receivable are reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(i) Share Capital

Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded in reserves over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares on the date of issue.

(j) Share-Based Payments

The Company has an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized to expense 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 share-based payment 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 eventually vest. Amounts recorded for forfeited or expired unexercised options are transferred to deficit in the year of forfeiture or expiry.

Upon the exercise of stock options, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income Taxes

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

(i) Current Income Tax

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

(ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

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

(l) Loss per Share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the year. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

(m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized on the statements of financial position at the time the Company becomes a party to the contractual provisions of the financial instrument.

Financial instruments are initially measured at fair value. Measurement in subsequent periods is dependent on the classification of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, available-for-sale, and other financial liabilities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial Instruments (Continued)

(i) Financial Assets and Liabilities at Fair Value Through Profit or Loss

Financial assets and liabilities at fair value through profit or loss are either 'held-for-trading' or classified at fair value through profit or loss. They are initially and subsequently recorded at fair value and changes in fair value are recognized in profit or loss for the period.

The Company does not have any financial assets and liabilities at fair value through profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value and subsequently on an amortized cost basis using the effective interest method, less any impairment losses. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

The Company has designated its cash and cash equivalents and interest receivable as loans and receivables.

(iii) Held-to-Maturity

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are initially recorded at fair value and subsequently measured at amortized cost.

The Company does not have any held-to-maturity financial assets.

(iv) Available-For-Sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other financial asset categories. They are initially and subsequently measured at fair value and the changes in fair value, other than impairment losses are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

The Company does not have any available-for-sale financial assets.

(v) Other Financial Liabilities

Other financial liabilities are recognized initially at fair value plus any directly attributable transaction costs on the date at which the Company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, the Company's financial liabilities are measured at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

The Company's non-derivative financial liabilities are its accounts payable and accrued liabilities, which are designated as other liabilities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Flow-Through Shares

The Company finances a portion of its exploration activities through the issuance of flow-through shares.

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the value of common shares on the date of the transaction and is recorded as a deferred liability. The Company recognizes a pro rata amount of the premium through the statement of comprehensive loss as other income with a corresponding reduction to the flow through premium liability as the flow-through expenditures are incurred and renounced.

When the flow-through expenditures are incurred and renounced, the Company records the tax effect as a change to profit or loss and an increase to deferred income tax liabilities. To the extent that the Company has deferred income tax assets that were not recognized in previous periods, a deferred income tax recovery is recorded to offset the liability resulting from the renunciation.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

(a) Share-Based Payments

The Company grants stock options to directors, officers, employees, and consultants of the Company under its incentive stock option plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility, and forfeiture rates.

Changes in assumptions used to estimate fair value could result in materially different results.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(b) Decommissioning and Restoration Provision

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates.

As at June 30, 2013 and 2012, the Company has no material decommissioning and restoration provision.

(c) Deferred Tax Assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS

The following IFRS standards have been recently issued by the IASB or the IFRIC. The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

(a) IFRS 7, Financial Instruments: Disclosures, and IAS 32, Financial Instruments: Presentation

The IASB has issued amendment to IFRS 7, Financial Instruments: Disclosures ("IFRS 7") and IAS 32, Financial Instruments: Presentation ("IAS 32"), requiring incremental disclosures regarding transfers of financial assets and clarity of an entity's ability to offset financial assets and financial liabilities. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2013, and the amendments to IAS 32 are effective for annual periods beginning on or after July 1, 2014. The Company will apply the amendment at the beginning of its 2013 financial year. The Company does not expect the implementation to have a significant impact on the Company's disclosures.

(b) IFRS 9, Financial Instruments

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase of this project. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

(b) IFRS 9, Financial Instruments (Continued)

For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity's credit risk are presented in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position, and disclosures.

(c) IFRS 13, Fair Value Measurement

IFRS 13, Fair Value Measurement ("IFRS 13") is effective for annual periods beginning on or after January 1, 2013. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position, and disclosures.

(d) IAS 32, Financial Instruments

Presentation was amended to address inconsistencies in current practice when applying the offsetting criteria in IAS 32. Under this amendment, the meaning of "currently has a legally enforceable right of set-off" was clarified as well as providing clarification that some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for annual periods beginning on or after January 1, 2014 and is not expected to have a significant impact on the Company.

NOTE 5 – EQUIPMENT

	$
COST	
Balance, June 30, 2011	3,269
Additions	910
Balance, June 30, 2012	4,179
Additions - None	-
Balance, June 30, 2013	4,179
ACCUMULATED DEPRECIATION	
Balance, June 30, 2011	2,316
Depreciation	422
Balance, June 30, 2012	2,738
Depreciation	432
Balance, June 30, 2013	3,170
NET BOOK VALUE	
June 30, 2012	1,441
June 30, 2013	1,009

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

Cumulative expenditures incurred by the Company on its properties are summarized as follows:

	Hook Lake property Saskatchewan, Canada $
Balance, June 30, 2011	-
Acquisition costs:	
Professional and regulatory fees	9,318
Geology	9,757
Balance, June 30, 2012	19,075
Acquisition costs:	
Option Payment – Cash	15,000
Option Payment – Common Shares Issued	11,250
Exploration costs:	
Geophysics	62,000
	88,250
Balance, June 30, 2013	107,325

On April 12, 2012, the Company entered into an option agreement with Geomode Mineral Exploration Ltd. ("Geomode") for the exclusive right and option to acquire a 100% interest in the Hook Lake property, a prospective uranium project located in Saskatchewan. As consideration, the Company agreed to pay an aggregate of $1,015,000, issue 150,000 common shares, and incur in exploration and development expenditures a total of $871,248 or pay to Geomode a further $871,248 over a period of 3 years as follows:

	Cash $		Common shares #		Work Commitment or cash payments to Geomode $	
Within 5 days of Exchange approval (July 27, 2012)	15,000	(paid)	150,000	(issued)	-	
On or before July 27, 2013	-		-		60,624	(incurred)
On or before July 27, 2014	-		-		60,624	
On or before July 27, 2015	1,000,000		-		750,000	
	1,015,000		150,000		871,248	

Included in prepaid expenses and deposits is a deficiency cash deposit of $60,624 paid to the Saskatchewan Ministry of Energy and Resources ("Ministry") towards a 6 month extension on the work requirement for the claims. The amount is refundable upon the Company's filing of assessment work with the Ministry on or before March 3, 2014.

A 1% net smelter return ("NSR") shall be reserved to Geomode which may be purchased at any time by the Company for $1,000,000 less all amounts previously received by Geomode as NSR payments.

NOTE 7 – SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of voting common shares without par value.

(b) Issued Share Capital

At June 30, 2013, there were 16,040,000 issued and fully paid common shares (2012 - 15,890,000).

(c) Escrow Shares

As of June 30, 2013, the Company has Nil common shares held in escrow (2012 – 920,000).

(d) Share-Based Payments

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

A summary of the status of the options outstanding follows:

	Number of Options	Weighted Average Exercise Price $
Balance, June 30, 2012 and June 30, 2011	1,733,000	0.14
Forfeited	(10,000) [(i)]	0.11
Balance, June 30, 2013	1,723,000	0.14

[(i)] During the year ended June 30, 2013, the fair value of 10,000 forfeited options of $755 was reclassified from reserves to deficit.

The following table summarizes the stock options outstanding as at June 30, 2013:

Exercise Price $	Number of Options Outstanding		Expiry Date	Number of Options Exercisable
0.21	138,333		August 1, 2013	138,333
0.15	926,667		October 29, 2017	926,667
0.15	144,000	[(i)]	October 29, 2017	144,000
0.10	139,000		April 1, 2020	139,000
0.11	375,000		May 31, 2021	375,000
	1,723,000			1,723,000

[(i)] These stock options were granted to two charitable organizations.

During the year ended June 30, 2013, the Company recognized share-based payments of $1,887 (2012 – $17,686) for stock options vested during the year. The weighted average contractual life remaining for the outstanding stock options as at June 30, 2013, is 4.95 years.

NOTE 7 – SHARE CAPITAL (Continued)

(e) Share Purchase Warrants

Each whole warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance, June 30, 2011	1,389,999	0.12
Expired	(1,389,999)	0.12
Balance, June 30, 2013 and June 30, 2012	-	-

NOTE 8 – RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

The Company incurred the following transactions with companies having directors and officers in common:

	2013 $	2012 $
Office, rent and administration costs paid or accrued to companies having directors and officers in common [(i)]	69,750	45,000
Legal fees and share issuance costs paid or accrued to a company controlled by an officer of the Company	8,005	14,018
Project evaluation costs paid or accrued to a companies controlled by a director and an officer of the Company	38,267	30,220
	116,022	89,238

[(i)] Of these fees, $21,600 was paid to the CFO of the Company (2012 - $14,400) (Note 8(b)(i)).

(b) Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and consist of its Directors, Chief Executive Officer, and Chief Financial Officer.

	$	$
Short-term benefits – Management Fees [(i)]	39,100	31,400
Share-based payments [(ii)]	1,661	12,791
	40,761	44,191

[(i)] Short-term benefits include consulting and management fees.

NOTE 8 – RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of Key Management Personnel (Continued)

(ii) Share-based payments is the fair value of options granted and vested to key management personnel under the Company's stock option plan (Note 7(d)).

(c) Related Party Balances

The following related party amounts are included in *(i)* accounts payable and accrued liabilities and *(ii)* prepaid expenses and deposits:

	June 30, 2013 $	June 30, 2012 $
(i) Companies controlled by directors and an officer of the Company	12,327	24,441
(ii) Companies having a director and officers in common	1,500	6,500

These transactions are in the normal course of operations and are measured at the fair value amount of consideration established and agreed to by the related parties. Any amounts due to related parties are unsecured, non-interest bearing, and have no specific repayment terms.

NOTE 9 – INCOME TAXES

(a) Reconciliation of Effective Tax Rate

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 25.25% (2012 – 25.75%) to pre-tax loss as a result of the following:

	2013 $	2012 $
Loss before income taxes	(393,489)	(315,760)
Computed expected income tax recovery	(99,356)	(81,308)
Deferred tax assets not recognized	110,412	98,929
Effect of change in tax rates	(11,804)	2,968
Permanent difference	638	5,973
Other	110	(26,562)
Income tax expense (recovery)	-	-

NOTE 9 – INCOME TAXES (Continued)

(b) Deferred Income Tax Assets and Liabilities

Deferred tax assets have not been recognized in respect of the following items:

	2013	2012
	$	$
Non-capital losses carry-forward	305,334	202,284
Share issuance cost	246	473
Exploration and evaluation assets	25,985	18,423
Equipment	712	684
Unrecognized deferred tax assets	332,277	221,864

(c) Non-Capital Losses

As at June 30, 2013, the Company has non-capital losses of $1,174,363 which may be applied to reduce taxable income of future years. These non-capital losses expire as follows:

Year	$
2026	1,933
2027	46,286
2028	19,493
2029	109,260
2030	80,088
2031	215,212
2032	336,865
2033	365,226
	1,174,363

Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

In addition, the Company has cumulative resource pools of $99,941 which can be carried forward indefinitely to offset future resource profits.

NOTE 10 – FINANCIAL RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values because of their short term nature and/or the existence of market related interest rates on the instruments.

IFRS requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

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

The Company has no financial instrument assets or liabilities recorded in the statements of financial position at fair value as at June 30, 2013 and 2012.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank Guaranteed Investment Certificates ("GICs"), and interest receivable. Cash and cash equivalents consisting of GICs have been invested with Schedule 1 banks or equivalents, with its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. Management considers that risks related to credit are minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at June 30, 2013, the Company had cash and cash equivalents of $644,713 to settle current liabilities of $24,345 which mainly consisted of accounts payable that were considered short term and settled within 30 days.

The Company is dependent on the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. There can be no assurance that such financing will be available on terms acceptable to the Company (Note 1).

NOTE 10 – FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial Instruments Risk (Continued)

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's short-term investments are invested in GICs with greater than 90 day terms but not greater than one year. These GICs have a fixed interest rate for the term of the deposit. The interest on cash and GICs is typical of Canadian banking rates, which are low at present and the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

(c) Capital Management

The Company manages its share capital as capital, which as at June 30, 2013, totaled $1,848,395 (2012 – $1,837,145).

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration, and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt, or dispose of assets.

The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company has no debt and is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the years ended June 30, 2013.