



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014**

Shown in Canadian Dollars

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

## MANAGEMENT'S RESPONSIBILITY

To the Shareholders of El Tigre Silver Corp.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the El Tigre's external auditors.

We draw attention to Note 1 in the condensed interim consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

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

November 28, 2014

*"Stuart R. Ross"*

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Stuart R. Ross, co-CEO

*"Lisa Dea"*

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Lisa Dea, CFO

*"Wade Anderson"*

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Wade Anderson, co-CEO

**EL TIGRE SILVER CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*Canadian Dollars*  
*(Unaudited)*

	Note	As at	
		September 30 2014	December 31 2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 85,985	\$ 192,059
Accounts receivable	(6)	191,945	206,805
Prepaid amounts and deposits		47,890	75,950
		<b>325,820</b>	474,814
<b>Non-Current Assets</b>			
Equipment	(7)	18,468	44,782
Resource property	(8)	4,255,351	4,255,351
		<b>4,273,819</b>	4,300,133
		<b>\$ 4,599,639</b>	\$ 4,774,947
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 146,089	\$ 209,456
<b>Non-Current Liabilities</b>			
Decommissioning liability	(9)	91,851	90,495
		<b>237,940</b>	299,951
<b>EQUITY</b>			
Share capital	(10)	14,736,389	13,457,193
Contributed surplus – options	(10)	929,589	894,750
Contributed surplus – warrants	(10)	801,732	599,732
Deficit		(12,106,011)	(10,476,679)
		<b>4,361,699</b>	4,474,996
		<b>\$ 4,599,639</b>	\$ 4,774,947

Nature of operations and going concern	(1)	Related party transactions	(12)
Basis of preparation - statement of compliance	(2)	Segmented disclosure	(13)
Financial instruments and risk management	(5)	Contingent liability	(14)
Capital disclosures	(11)	Subsequent event	(15)

The condensed interim consolidated financial statements were approved by the Board of Directors on November 28, 2014 and were signed on its behalf by:

“Wade Anderson”  
Wade Anderson, Director

“Ernie Elko”  
Ernie Elko, Director

**EL TIGRE SILVER CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**

*Canadian Dollars*  
*(Unaudited)*

		<b>Three Months Ended September 30 2014</b>	Three Months Ended September 30 2013	<b>Nine Months Ended September 30 2014</b>	Nine Months Ended September 30 2013
<b>Exploration and Evaluation</b>	(8)	<b>\$ 298,898</b>	\$ 286,457	<b>\$ 720,148</b>	\$ 1,707,559
<b>General and Administrative</b>					
Shareholder relations		<b>38,651</b>	30,795	<b>132,278</b>	141,931
Wages and management fees	(12)	<b>152,596</b>	117,137	<b>400,889</b>	350,223
Professional fees		<b>43,339</b>	18,363	<b>164,070</b>	63,447
Share-based payments	(10)	-	66,000	<b>34,839</b>	66,000
Amortization	(6)	<b>8,542</b>	10,316	<b>26,314</b>	36,606
Office rent		<b>15,321</b>	15,565	<b>41,376</b>	40,235
Travel		<b>5,628</b>	3,863	<b>17,654</b>	21,745
Transfer agent and filing fees		<b>6,250</b>	636	<b>28,632</b>	17,748
Office and general		<b>13,550</b>	7,398	<b>33,393</b>	24,360
Insurance		<b>4,643</b>	5,452	<b>13,279</b>	14,192
Accretion expense	(9)	<b>452</b>	259	<b>1,356</b>	779
Bank charges (interest)		<b>576</b>	1,080	<b>3,321</b>	(956)
Foreign exchange (gain) loss		<b>(435)</b>	20,784	<b>11,783</b>	13,847
<b>Loss from Operating Activities being Comprehensive Loss</b>		<b>\$ 588,011</b>	\$ 584,105	<b>\$ 1,629,332</b>	\$ 2,497,716
<b>Loss per Common Share – Basic and Diluted</b>		<b>\$ (0.01)</b>	\$ (0.01)	<b>\$ (0.03)</b>	\$ (0.05)
<b>Weighted Average Number of Shares Outstanding</b>		<b>61,697,109</b>	52,964,761	<b>60,730,076</b>	52,417,827

**EL TIGRE SILVER CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*Canadian Dollars*

*(Unaudited)*

	Note	Shares	Amount	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
<b>BALANCE AT DECEMBER 31, 2012</b>		50,869,109	\$ 12,343,081	22,927,489	\$ 522,277	4,212,500	\$ 828,750	\$ (7,466,739)	\$ 6,227,369
Private placement issuances		2,800,000	654,408	1,400,000	45,592	-	-	-	700,000
Share issuance costs		-	(8,050)	-	-	-	-	-	(8,050)
Share based payments		-	-	-	-	905,000	66,000	-	66,000
Options expired		-	-	-	-	(500,000)	-	-	-
Expiration of warrants		-	-	(4,087,569)	-	-	-	-	-
Net loss for the period		-	-	-	-	-	-	(2,497,716)	(2,497,716)
<b>BALANCE AT SEPTEMBER 30, 2013</b>		53,669,109	\$ 12,989,439	20,239,920	\$ 567,869	4,617,500	\$ 894,750	\$ (9,964,455)	\$ 4,487,603
<b>BALANCE AT DECEMBER 31, 2013</b>		55,697,109	\$ 13,457,193	11,253,920	\$ 599,732	4,617,500	\$ 894,750	\$ (10,476,679)	\$ 4,474,996
Private placement issuances	(10)	6,000,000	1,298,000	3,000,000	202,000	-	-	-	1,500,000
Share issuance costs		-	(18,804)	-	-	-	-	-	(16,684)
Share based payments	(10)	-	-	-	-	175,000	34,839	-	34,839
Options expired		-	-	-	-	(355,000)	-	-	-
Warrants expired		-	-	(2,144,000)	-	-	-	-	-
Net loss for the period		-	-	-	-	-	-	(1,629,332)	(1,629,332)
<b>BALANCE AT SEPTEMBER 30, 2014</b>		61,697,109	\$ 14,736,389	12,109,920	\$ 801,732	4,437,500	\$ 929,589	\$ (12,106,011)	\$ 4,361,699

**EL TIGRE SILVER CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

Canadian Dollars  
(Unaudited)

	Note	Three Months Ended September 30 2014	Three Months Ended September 30 2013	Nine Months Ended September 30 2014	Nine Months Ended September 30 2013
<b>OPERATING ACTIVITIES</b>					
<b>Loss for the Period</b>		\$ (588,011)	\$ (584,105)	\$ (1,629,332)	\$ (2,497,716)
<b>Items not Affecting Cash</b>					
Amortization	(6)	8,542	10,316	26,314	36,606
Share-based payments	(10)	-	66,000	34,839	66,000
Accretion expense	(9)	452	259	1,356	779
		(579,017)	(507,330)	(1,566,823)	(2,394,331)
<b>Net Change in Non-cash Working Capital</b>					
Amounts receivable		20,586	52,651	14,860	110,200
Prepaid amounts and deposits		4,521	4,612	28,060	(30,223)
Accounts payable and accrued liabilities		22,188	18,105	(63,367)	14,042
		(531,722)	(374,613)	(1,587,270)	(2,357,861)
<b>INVESTING ACTIVITIES</b>					
Acquisition of equipment	(6)	-	-	-	(27,039)
<b>FINANCING ACTIVITIES</b>					
Issuance of Units	(10)	-	200,000	1,500,000	700,000
Share issuance costs	(10)	(2,120)	(5,000)	(18,804)	(8,050)
		(2,120)	195,000	(1,481,196)	691,950
<b>Net Increase (Decrease) in Cash</b>		(533,842)	(179,613)	(106,074)	(1,692,950)
Cash position – beginning of period		619,827	356,805	192,059	1,870,142
<b>Cash Position – End of Period</b>		\$ 85,985	\$ 177,192	\$ 85,985	\$ 177,192
<b>Supplementary Disclosure of Cash Flow Information</b>					
Cash paid for interest		\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes		\$ -	\$ -	\$ -	\$ -

# EL TIGRE SILVER CORP.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian Dollars

(Unaudited)

### 1) Nature of operations and going concern

El Tigre Silver Corp. (the “Company”) was incorporated in the Province of British Columbia, Canada on December 10, 2007; its registered office is located at Suite 1000 – 355 Burrard Street, Vancouver, BC, Canada, V6C 2G8. The Company is in the exploration stage and in the process of exploring mineral properties in Mexico. The Company has not yet determined whether the properties contain economic reserves. The Company is listed on the TSX Venture Exchange, the OTCQX, and the Frankfurt Stock Exchange.

These condensed interim consolidated financial statements (“financial statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue its operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. During the three and nine months ended September 30, 2014, the Company had a net loss of \$588,011 and \$1,629,332 respectively and negative cash flow from operations of \$531,722 and \$1,587,270, respectively. As at September 30, 2014, the Company had working capital of \$179,731 (December 31, 2013 – \$265,358) and an accumulated deficit of \$12,106,011 (December 31, 2013 - \$10,476,679). Further, the Company has significant on-going cash requirements to meet its overhead and maintain its mineral interests. These conditions may raise significant doubt about the Company’s ability to continue as a going concern.

The business of 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 recoverability of resource properties is dependent upon several factors. These include 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 mineral properties.

The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing to satisfy liabilities as they come due, complete development activities and ultimately to achieve profitable operations. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future. If the Company is unable to obtain adequate financing, the Company will need to curtail exploration operations, reduce general operation expenses, and may be required to reduce the size of its mineral concessions in Mexico.. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

### 2) Basis of preparation – statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited condensed interim consolidated financial statements do not include all disclosures required by IFRS for annual financial statements, they should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2013.

# EL TIGRE SILVER CORP.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian Dollars  
(Unaudited)

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2013, except for the application of the following new interpretation and amendments to existing IFRSs, which were effective January 1, 2014:

- **IFRIC 21, Levies imposed by governments**

In May 2013, the IASB issued IFRIC 21, which sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized. The Company has applied IFRIC 21 on a retrospective basis in compliance with the transitional requirements of IFRIC 21. The application of IFRIC 21 did not result in an adjustment to the Company's condensed interim consolidated financial statements.

- **IAS 1 Presentation of Financial Statements (amended standard)**

The amendments to IAS 1 introduce changes to presentation of items of other comprehensive income. The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit and loss in the future if certain conditions are met from those that would never be reclassified to profit and loss. The amendments are to be applied retroactively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

- **IFRS 13 Fair Value Measurement**

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

- Certain amendments to IFRS's issued by the IASB. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

The Company has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective.

### 3) Significant judgements and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The critical judgements and estimates applied in the preparation of the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 are consistent with those applied and disclosed in note 4 to the Company's consolidated financial statements for the year ended December 31, 2013.



# EL TIGRE SILVER CORP.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian Dollars  
(Unaudited)

### 4) Accounting standards issued but not yet effective

#### IFRS 9, Financial instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”), which will reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

#### IFRS 15, Revenue Recognition

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”) which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cashflows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

### 5) Financial instruments and risk management

#### Financial instrument classification and measurement

Financial instruments of the Company carried on the condensed interim consolidated statement of financial position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at September 30, 2014 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company’s cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company’s cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

#### Fair values of financial assets and liabilities

The Company’s financial instruments include cash and cash equivalents, amounts receivable, deposits, accounts payable and accrued liabilities and decommissioning liability. At September 30, 2014, the carrying value of cash and cash equivalents is fair value. Amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*Canadian Dollars*  
*(Unaudited)*

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with a major Canadian bank, accordingly the Company believes it is not exposed to significant credit risk.

Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is nominally exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going exploration expenditures. The Company is not exposed to significant foreign currency risk, as a 5% shift in foreign exchange rates would result in an impact of approximately \$1,000. At September 30, 2014, the Company held currency approximately totalling the following:

<b>Canadian (Dollars)</b>	<b>US (Dollars)</b>	<b>Mexican (Pesos)</b>
\$73,402	\$2,993	\$43,287

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

**6) Amounts receivable**

Amounts receivable are comprised of:

	<b>September 30 2014</b>	<b>December 31 2013</b>
IVA recoverable	\$ 167,539	\$ 186,119
GST recoverable	15,486	8,880
Other receivables	8,920	11,806
	<b>\$ 191,945</b>	<b>\$ 206,805</b>

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Canadian Dollars  
(Unaudited)

**7) Equipment**

	Vehicle	Computers Equipment	Equipment	Camp Buildings	Total
<b>COST OR DEEMED COST</b>					
<b>Balance at January 1, 2013</b>	\$ 95,755	\$ 5,160	\$ 7,031	\$ 64,898	\$ 172,844
Additions	23,516	-	3,523	-	27,039
<b>Balance at December 31, 2013 and September 30, 2014</b>	<b>\$ 119,271</b>	<b>\$ 5,160</b>	<b>\$ 10,554</b>	<b>\$ 64,898</b>	<b>\$ 199,883</b>
<b>ACCUMULATED AMORTIZATION</b>					
<b>Balance at January 1, 2013</b>	\$ 51,427	\$ 3,612	\$ 2,519	\$ 50,621	\$ 108,179
Amortization for the period	29,160	1,548	2,625	13,589	46,922
<b>Balance at December 31, 2013</b>	\$ 80,587	\$ 5,160	\$ 5,144	\$ 64,210	\$ 155,101
Amortization for the period	<b>23,829</b>	-	<b>1,797</b>	<b>688</b>	<b>26,314</b>
<b>Balance at September 30, 2014</b>	<b>\$ 104,416</b>	<b>\$ 5,160</b>	<b>\$ 6,941</b>	<b>\$ 64,898</b>	<b>\$ 181,415</b>
<b>CARRYING AMOUNTS</b>					
At December 31, 2013	\$ 38,684	\$ -	\$ 5,410	\$ 688	\$ 44,782
At September 30, 2014	<b>\$ 14,855</b>	<b>\$ -</b>	<b>\$ 3,613</b>	<b>\$ -</b>	<b>\$ 18,468</b>

Property, plant and equipment are stated, in the condensed interim consolidated statement of financial position, at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognized impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property, plant, and equipment includes directly attributed incremental costs incurred in their acquisition and installation.

During the nine months ended December 31, 2014, the Company capitalized \$Nil (December 31, 2013 - \$38,532) related to the decommissioning liability of the evaluation and exploration properties.

Depreciation is charged so as to write off the cost of the asset using the straight-line method over the estimated useful lives as follows:

Vehicles	3-5 years
Computer Equipment	1-3 years
Equipment	3-5 years
Camp Buildings	3-5 years

# EL TIGRE SILVER CORP.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian Dollars  
(Unaudited)

### 8) Resource properties

Title to mineral properties involves inherent risks due to difficulties of determining the validity of certain mineral claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

#### Acquisition of property

On February 28, 2010, the Company acquired all of the issued and outstanding shares of Pacemaker Silver Mining S.A. de C.V. ("Pacemaker") for 11,500,000 common shares of the Company valued at \$4,025,000.

Pacemaker holds a 100% interest in certain mineral concessions located in Sonora, Mexico.

#### Acquisition of tailings

On September 30, 2011 the Company signed an option agreement with Martin Lopez Lauterio (the "Option Agreement"), the owner of the surface land and tailings, to exploit the extensive surface tailings which resulted from the former Lucky Tiger Combination Gold Mining Company mine in the Sierra El Tigre. The tailings are located on the concessions that are part of El Tigre's 215 square kilometre concession ownership in Sonora, Mexico. Under the terms of the Option Agreement, the Company has up to two years to evaluate the tailings and design a procedure to extract the contained silver.

In order to exercise its option, the Company will pay the Owner \$20,000 US upon signing of the Option Agreement (completed) and has agreed to spend \$30,000 US in engineering work (completed) during the two year term. Upon exercise of the option, the Owner will receive a further 100,000 common shares of the Company and \$20,000 US. The Owner will also receive a royalty of 10% of net profit on the tailings project.

On November 14, 2013, the Company amended the Option agreement whereby the Owner will receive a payment of \$40,000 US upon exercise of the Option in lieu of the 100,000 common shares for a total payment on exercise of \$60,000 US. Concurrently with the signing of the amended option agreement, the Company elected to exercise its option and pay the Owner \$60,000 US through a cash payment of \$45,000 US and the forgiveness of a \$15,000 US promissory note to the Company.

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#### PROPERTY ACQUISITION COSTS

Balance at January 1, 2013	\$	4,154,922
Acquisitions		63,671
Increase in decommissioning asset		36,758
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Balance at December 31, 2013 and September 30, 2014	\$	4,255,351

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Canadian Dollars

(Unaudited)

Resource property expenses

A summary of exploration expenditures of the three and nine month periods ended September 30, 2014 and 2013 are as follows:

	<b>Three Months Ended September 30 2014</b>	Three Months Ended September 30 2013	<b>Nine Months Ended September 30 2014</b>	Nine Months Ended September 30 2013
<b>EXPLORATION EXPENDITURES</b>				
Geological	\$ 182,118	\$ 203,593	\$ 434,082	\$ 695,632
Surface access	68,753	63,890	139,062	191,471
Management and camp costs	14,967	10,222	55,102	78,538
Field transport	11,905	8,752	23,383	41,291
Drilling	-	-	-	593,071
Assaying	21,154	-	63,519	107,556
	<b>\$ 298,898</b>	<b>\$ 286,457</b>	<b>\$ 720,149</b>	<b>\$ 1,707,559</b>

**9) Environmental and decommissioning liability**

The Company has an obligation to undertake restoration, rehabilitation, and environmental work when environmental disturbance is caused by the development and eventual production of a mining property, as well as decommissioning of the plant and other restoration work. A provision for environmental rehabilitation has been estimated based on the Company's interpretation of current regulatory requirements and is recognized at the present value of such costs. The present value of the reclamation liability may be subject to change based on management's current estimates, changes in remediation technology, or change in the applicable laws and regulations. The Company anticipates these costs to be incurred in 10 years. The undiscounted amount of the estimated costs at September 30, 2014 was \$106,000 (December 31, 2013 - \$106,000). The estimated costs have been discounted at a rate of 2.00%.

The following table reconciles the Company's total decommissioning liability for the current reporting years:

	<b>September 30 2014</b>	December 31 2013
<b>Balance – Beginning of year</b>	<b>\$ 90,495</b>	\$ 51,963
Liabilities acquired	-	36,758
Accretion of interest	1,356	1,774
<b>Balance – End of period</b>	<b>\$ 91,851</b>	\$ 90,495

## EL TIGRE SILVER CORP.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian Dollars

(Unaudited)

#### 10) Share capital

##### Authorized:

Unlimited common shares without par value.

##### Issued or allotted and fully paid:

On February 14, 2014, the Company announced that it closed a non-brokered private placement for an aggregate of 6,000,000 units of the Company ("Units") at a price of \$0.25 per Unit for aggregate cash proceeds of \$1,500,000. Each Unit is comprised of one common share and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire an additional common share of the Company for a period of 24 months from the date of issue at a price of \$0.38, provided that, if over a period of 20 consecutive trading days after the expiry of the hold period on the warrants the daily volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange is greater than \$0.50, then at the Company's discretion, it may, within 10 days of such 20 day period, accelerate the expiry date of the Warrants to a date 30 days after the date of the notice.

On December 12, 2013, the Company extended the expiry of 2,232,000 share-purchase warrants from December 30, 2013 to December 30, 2014 and January 25, 2014 to January 26, 2015 respectively. All other terms of the warrants remained the same.

On October 30, 2013, the Company announced that it closed the first and second tranches of its previously announced non-brokered private placement consisting of 2,828,000 Units for gross proceeds of \$200,000 and \$507,000 respectively. Each Unit consists of a common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share of the Company for a period of 24 months from the date of issue at a price of \$0.38 per share, provided that, if over a period of 20 consecutive trading days after the expiry of the hold period on the warrants, the daily volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange (or such other stock exchange on which such shares are listed) is greater than \$0.50, then at the Company's discretion, it may, within 10 days of such 20 day period, accelerate the expiry date of the warrants to a date 30 days after the date of the notice. These common shares, together with the shares issued on the exercise of the warrants, will be restricted from trading for a period of four months and a day from the date of issuance of the Units, being March 1, 2014, in compliance with TSX Venture Exchange policies and securities legislation.

On March 8, 2013, the Company announced that it has closed its previously announced non-brokered private placement for an aggregate of 2,000,000 units of the Company for aggregate gross proceeds of \$500,000. Each Unit consists of a common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share of the Company for a period of 24 months from the date of issue at a price of \$0.38 per share, provided that, if over a period of 20 consecutive trading days after the expiry of the hold period on the warrants, the daily volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange (or such other stock exchange on which such shares are listed) is greater than \$0.50, then at the Company's discretion, it may, within 10 days of such 20 day period, accelerate the expiry date of the Warrants to a date 30 days after the date of the notice.

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Canadian Dollars  
(Unaudited)

Contributed surplus

Contributed surplus stock option activity during the period is summarized as follows:

<b>CONTRIBUTED SURPLUS</b>	Options	Warrants	Total
<b>Balance at January 1, 2013</b>	\$ 828,750	\$ 522,277	\$ 1,351,027
Share-based payments – exploration and evaluation	10,575	-	10,575
Share-based payments – general and administrative	55,425	-	55,425
Private placement issuances	-	77,455	77,455
<b>Balance at December 31, 2013</b>	\$ 894,750	\$ 599,732	\$ 1,494,842
Private placement issuances	-	<b>202,000</b>	<b>202,000</b>
Share-based payments – general and administrative	<b>34,839</b>	-	<b>34,839</b>
<b>Balance at September 30, 2014</b>	<b>\$ 929,589</b>	<b>\$ 801,732</b>	<b>\$ 1,731,321</b>

Stock options and share-based payments

The Company adopted a stock option plan (“the Plan”) whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting will be determined by the Board of Directors.

Stock option activity during the period is summarised as follows:

<b>STOCK OPTION ACTIVITY</b>	September 30 2014	Weighted Average Exercise Price	December 31 2013	Weighted Average Exercise Price
<b>Balance – beginning of year</b>	<b>4,617,500</b>	<b>\$ 0.27</b>	4,212,500	\$ 0.30
Granted	<b>175,000</b>	<b>0.25</b>	905,000	0.17
Forfeited	<b>(355,000)</b>	<b>0.26</b>	-	-
Expired	-	-	(500,000)	0.35
<b>Balance – end of period</b>	<b>4,437,500</b>	<b>\$ 0.27</b>	4,617,500	\$ 0.27

Details of stock options outstanding and exercisable are as follows:

<b>Expiry Date</b>	Exercise Price	September 30 2014	December 31 2013
December 1, 2014	\$ 0.26	<b>275,000</b>	275,000
February 18, 2015	\$ 0.35	<b>900,000</b>	900,000
June 17 2015	\$ 0.35	<b>175,000</b>	175,000
January 5, 2016	\$ 0.35	<b>290,000</b>	290,000
March 17, 2016	\$ 0.45	<b>250,000</b>	250,000
August 11, 2016	\$ 0.33	<b>360,000</b>	535,000
December 24, 2017	\$ 0.20	<b>1,187,500</b>	1,287,500
July 8, 2018	\$ 0.17	<b>825,000</b>	905,000
April 1, 2019	\$ 0.25	<b>175,000</b>	-
		<b>4,437,500</b>	4,617,500

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*Canadian Dollars*  
*(Unaudited)*

	September 30 2014	December 31 2013
The outstanding options have a weighted-average exercise price of:	0.27	0.27
The weighted average remaining life of the outstanding options is:	2.18	2.88
The number of vested options is:	4,437,500	4,617,500
As at the statement date the number of in the money options was:	-	-

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of options issued. The Black-Scholes Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values. Management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Share-based payments for options granted and vested during the period are as follows:

	September 30 2014	December 31 2013
Number of options	175,000	905,000
Fair value of share-based payments	\$ 34,839	\$ 66,000

The fair value of share-based payments has been estimated using the Black-Scholes Model using the following assumptions:

	September 30 2014	December 31 2013
Exercise price	\$ 0.25	\$ 0.17
Risk free interest rate	1.72%	1.79%
Expected dividend yield	-	-
Expected stock price volatility	134%	61%
Expected option life in years	3.50	3.50

Warrants

Warrant activity during the period is summarized as follows:

<b>WARRANT ACTIVITY</b>	September 30 2014	Weighted Average Exercise Price	December 31 2013	Weighted Average Exercise Price
<b>Balance – beginning of period</b>	11,253,920	\$ 0.39	22,927,489	\$ 0.39
Issued	3,000,000	0.38	2,414,000	0.38
Expired	(2,144,000)	0.40	(14,087,569)	0.56
<b>Balance – end of period</b>	12,109,920	\$ 0.38	11,253,920	\$ 0.39



**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*Canadian Dollars*  
*(Unaudited)*

Details of warrants outstanding as at September 30, 2014 are as follows:

Expiry Date	Exercise Price	September 30 2014	December 31 2013
December 30, 2014	\$ 0.40	1,468,000	1,468,000
October 19, 2015 <sup>(a)</sup>	\$ 0.38	1,954,000	1,954,000
October 19, 2014	\$ 0.25	9,920	9,920
November 15, 2015 <sup>(a)</sup>	\$ 0.38	2,500,000	2,500,000
January 26, 2015	\$ 0.40	764,000	764,000
March 8, 2015	\$ 0.38	1,000,000	1,000,000
September 20, 2015	\$ 0.38	400,000	400,000
October 30, 2015	\$ 0.38	1,014,000	1,014,000
February 14, 2016	\$ 0.38	3,000,000	-
		<b>12,109,920</b>	<b>11,253,920</b>

<sup>(a)</sup> During the three months ended September 30, 2014, the Company extended 4,454,000 warrants with original expiry dates of October 19, 2014 and November 15, 2014 for one year to October 19, 2015 and November 15, 2014 respectively.

	September 30 2014	December 31 2013
The outstanding warrants have a weighted-average exercise price of:	<b>0.38</b>	0.39
The weighted average remaining life of the outstanding warrants is:	<b>0.95</b>	0.98

**11) Capital disclosures**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the period ended September 30, 2014.

**EL TIGRE SILVER CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*Canadian Dollars*  
*(Unaudited)*

**12) Related party transactions**

Related party transactions not disclosed elsewhere in the notes to financial statement are as follows:

<b>RELATED PARTY DISCLOSURE</b>			
<b>Name and Principal Position</b>		<b>Remuneration or Fees<sup>(1)</sup></b>	<b>Included in Accounts Payable</b>
A company owned or controlled by the President and CEO – management fees	<b>2014</b>	<b>\$ 162,000</b>	<b>\$ 3,900</b>
	<b>2013</b>	<b>162,000</b>	<b>1,800</b>
A company owned or controlled by the former CFO – management and professional fees	<b>2014</b>	<b>19,589</b>	<b>-</b>
	<b>2013</b>	<b>59,975</b>	<b>20,025</b>
The former VP of Exploration – consulting fees	<b>2014</b>	<b>-</b>	<b>-</b>
	<b>2013</b>	<b>140,113</b>	<b>-</b>

(1) Amounts disclosed were paid or accrued to the related party during the nine month periods ended September 30, 2014 and 2013.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

**13) Segmented disclosure**

The following table provides segmented disclosure on assets and liabilities as reviewed by management regularly:

<b>(Rounded to 000's)</b>	<b>Canada</b>		<b>Mexico</b>		<b>Total</b>
<b>September 30, 2014</b>					
Current assets	<b>\$ 139,000</b>	<b>\$ 187,000</b>	<b>\$ 187,000</b>	<b>\$ 326,000</b>	<b>\$ 326,000</b>
<b>Non-Current Assets</b>					
Equipment	-	18,000	18,000	18,000	18,000
Resource properties	-	4,255,000	4,255,000	4,255,000	4,255,000
<b>Liabilities</b>					
Current liabilities	121,000	25,000	25,000	146,000	146,000
Non-current liabilities	-	92,000	92,000	92,000	92,000
<b>December 31, 2013</b>					
Current assets	\$ 256,000	\$ 219,000	\$ 219,000	\$ 475,000	\$ 475,000
<b>Non-Current Assets</b>					
Equipment	-	45,000	45,000	45,000	45,000
Resource properties	-	4,255,000	4,255,000	4,255,000	4,255,000
<b>Liabilities</b>					
Current liabilities	85,000	124,000	124,000	209,000	209,000
Non-current liabilities	-	90,000	90,000	90,000	90,000

## **EL TIGRE SILVER CORP.**

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*Canadian Dollars*

*(Unaudited)*

#### **14) Contingent liability**

Through its wholly owned subsidiary, the Company entered into a consulting agreement (the "Agreement") with a third party (the "Consultant"), whereby, the Consultant will identify and introduce lending agencies to provide debt financing of up to \$4,450,000 US. The Company will pay the Consultant a success fee of 1.5% for every \$1,000,000 USD or a portion thereof accepted by the Company. In the event that the transaction is not concluded, the Company will pay a maximum penalty of 222,500 Mexican Pesos (\$18,000 Canadian Dollars) to the Consultant. As at September 30, 2014, the Company is in compliance with the Agreement. Management has reviewed the contingent liability associated with the Agreement and has determined that a provision is not required to be recognized in the condensed interim consolidated statement of financial position as at September 30, 2014.

On February 17, 2014, the Company entered into an agreement with Conseil Advisory Services Inc. ("Conseil"), whereby Conseil will advise the Company on various financing alternatives and assist in negotiations with potential financing sources. For its services, the Company will compensate Conseil as follows:

- a daily fee of \$1,500 US for work completed,
- a success fee of 1.50%, subject to a minimum of \$100,000 US, of the value of the transaction payable 50% upon an accepted term sheet and 50% upon the closing of the transaction; and
- a grant of 200,000 options to acquire common shares of the Company.

If Conseil provides an acceptable formal term sheet to the Company from any potential financing source and the Company ultimately decides on any alternative source of financing, then the options, detailed above, shall immediately become fully vested and El Tigre shall at that time pay to Conseil a "drop dead" fee equal to 50% of the success fee plus the accrued daily fee.

On August 28, 2014, the Company entered into an agreement with Wealthcorp LLC ("Wealthcorp") to provide financial advisory services to assist the Company with identifying financing alternatives. The funds raised from any potential financing will be used to complete the construction of a production facility and to provide funding to continue the Company's planned exploration program to expand the initial resource. The Company will pay Wealthcorp a monthly work fee of US\$20,000, a cash success fee of 1.5% and compensation warrants equal to 5% of the aggregate number of shares or units sold under any financing transaction in excess of \$5 million (collectively the "Compensation"). The Compensation is due and payable upon closing of any transaction. The agreement with Wealthcorp is for an initial term of 12 months and renews automatically on the anniversary date on a month to month basis thereafter. The agreement can be terminated at any time with 30 day's notice, however the Company is obligated to pay Wealthcorp any fees due for the first 12 month term.

#### **15) Subsequent events**

Subsequent to September 30, 2014, the Company:

- received \$104,810 from 525,142 options exercised by related parties.
- received a loan of \$140,000 from a director of the Company.