STANS ENERGY CORP.

(Incorporated under the Laws of Ontario)

Interim Condensed Consolidated Financial Statements

For the nine months period ended September 30, 2014 and 2013

(Unaudited)

(Expressed in Canadian Dollars)

The accompanying unaudited interim condensed consolidated financial statements of Stans Energy Corp. for the nine months period ended September 30, 2014 and 2013 have been prepared by management and approved by the Board of Directors of the Company. These statements have been not reviewed by the Company's external auditors.

Stans Energy Corp.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

			September 30, 2014		December 31, 2013
Assets					
Current Assets					
Cash and cash equivalents	Note 4	**$**	**1,656,048**	$	5,261,841
Accounts receivable			**380,678**		321,353
Prepaids and other assets	Note 6		**84,985**		58,153
			2,121,711		5,641,347
Property, plant and equipment	Note 8		**113,146**		173,388
		$	**2,234,857**	$	5,814,735
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accrued liabilities		**$**	**248,675**	$	237,791
Equity					
Common shareholders' equity					
Share capital	Note 10 a		**43,110,033**		43,110,033
Contributed surplus	Note 10 c		**16,614,203**		16,378,138
Accumulated other comprehensive income			**108,632**		265,604
Deficit			**(57,676,598)**		(54,011,765)
Total common shareholders' equity			**2,156,270**		5,742,010
Non-controlling interest	Note 11		**(170,088)**		(165,066)
Total Equity			**1,986,182**		5,576,944
		$	**2,234,857**	$	5,814,735

Segmented Information (Note 5)
Impairment (Note 7)
Mineral properties (Note 9)
Commitments (Note 17)

Approved by the Board of Directors on November 28, 2014:

“Boris Aryev”, DIRECTOR

“Rodney Irwin”, DIRECTOR

“Albert Grenke”, DIRECTOR

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

Stans Energy Corp.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Three months ended		Nine months ended	
		Sep. 30, 2014	Sep. 30, 2013	**Sep. 30, 2014**	Sep. 30, 2013
Expenses					
General and Administrative		**$**	$	**$**	$
Office and administration	Note 15	**586,899**	1,171,915	**1,792,700**	2,767,638
Depreciation		**8,443**	35,499	**25,513**	102,288
Consulting fees		**66,471**	37,815	**220,730**	146,086
Professional fees		**122,635**	192,349	**664,363**	450,131
Stock-based compensation	Note 10 c	**85,465**	50,572	**236,065**	398,802
Foreign exchange loss (gain)		**15,602**	510,426	**130,707**	(835,342)
Interest income		**(3,960)**	(14,950)	**(29,448)**	(56,884)
Maintenance and other costs		**83,951**	218,749	**153,897**	474,004
Other Operating costs					
Impairment	Note 7	**228,538**	17,631,553	**387,652**	17,631,553
Net loss for the period		**1,194,044**	19,833,928	**3,582,179**	21,078,276
Deferred tax expense (recovery)		**-**	(626,253)	**-**	(638,771)
Net loss for the period after tax		**1,194,044**	19,207,675	**3,582,179**	20,439,505
Attributable to:					
Non-controlling interest		**1,710**	**6,314**	**5,022**	8,856
Common shareholders		**1,280,010**	**19,201,361**	**3,664,833**	20,430,649
Other comprehensive loss					
Foreign currency translation of foreign operations		**(101,136)**	(18,191)	**(156,972)**	352,704
Comprehensive loss for the period		**1,092,908**	19,189,484	**3,425,207**	20,792,209
Attributable to:					
Non-controlling interest	Note 11	**1,710**	6,314	**5,022**	8,856
Common shareholders		**1,178,874**	19,183,170	**3,507,861**	20,783,353
Basic and diluted loss per share	Note 16	**$** 0.01	$ 0.12	**$** 0.02	$ 0.13
Weighted average number of common shares					
Basic and diluted		**157,263,986**	157,263,986	**157,263,986**	157,263,986

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

Stans Energy Corp.
Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

		Nine months ended		
		September 30, 2014		September 30, 2013
Share Capital				
Balance beginning of period	$	**43,110,033**	$	43,110,033
Balance at the end of the period	$	**43,110,033**	$	43,110,033
Share purchase warrants				
Balance beginning of period	$	-	$	6,082,329
Fair value of warrants expired		-		(6,082,329)
Balance at the end of the period	$	-	$	-
Contributed Surplus				
Balance beginning of period	$	**16,378,138**	$	9,842,589
Stock-based compensation		**236,065**		398,802
Warrants expired		-		6,082,329
Balance at the end of the period	$	**16,614,203**	$	16,323,720
Cumulative translation adjustment				
Balance beginning of period	$	**265,604**	$	(79,610)
Foreign currency translation adjustment		**(156,972)**		(352,704)
Balance at the end of the period	$	**108,632**	$	(432,314)
Deficit				
Balance beginning of period	$	**(54,011,765)**	$	(31,344,065)
Net loss attributed to common shareholders		**(3,664,833)**		(20,430,649)
Balance at the end of the period	$	**(57,676,598)**	$	(51,774,714)
Total common shareholders' equity	$	**2,156,270**	$	7,226,725
Non-controlling interest				
Balance beginning of period	$	**(165,066)**	$	2,632
Net loss attributed to non-controlling interest		**(5,022)**		(8,856)
Balance at the end of the period	$	**(170,088)**	$	(6,224)
Total Equity	$	**1,986,182**	$	7,220,501

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

Stans Energy Corp.

Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Nine months ended	
	September 30, 2014	September 30, 2013
Cash Provided By (Used In)		
Operations		
Net loss	$ **(3,582,179)**	$ (20,439,505)
Adjustment for non-cash items		
Stock-based compensation	**236,065**	398,802
Loss on disposal of Property, Plant and Equipment		
Depreciation	**25,513**	102,288
Unrealized foreign exchange loss (gain)	**130,707**	(827,432)
Deferred tax expense	**-**	(638,771)
Impairment (Note 7)	**387,652**	17,631,553
Changes in non-cash working capital:		
Amounts receivable	**59,325**	135,538
Prepaids and other assets	**26,832**	(96,711)
Accounts payable and accrued liabilities	**10,884**	(135,540)
	(2,705,201)	(3,869,778)
Investing		
Interest received	**29,448**	58,699
Additions to property, plant and equipment	**(153,298)**	(234,076)
Expenditures on mineral properties	**(234,354)**	(893,346)
	(358,204)	(1,068,723)
Effect of exchange rate changes on cash	**(542,388)**	63,315
Net change in cash	**(3,605,793)**	(4,875,186)
Cash and Cash Equivalents, beginning of period	**5,261,841**	11,998,354
Cash and Cash Equivalents, end of period	**$ 1,656,048**	$ 7,123,168

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

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Stans Energy Corp. (the "Company" or "Stans") was incorporated on September 26, 2005 under the laws of the Province of Ontario. The Company is engaged in the business of the acquisition and development of mineral deposits such as uranium, molybdenum, vanadium, beryllium, lithium and rare earth metals in the Kyrgyz Republic. Stans' common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HRE. The head office, principal address and records office of the Company are located at 8 King St. East, Suite 205, Toronto, Ontario, M5C 1B5.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. These consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue its exploration and development activities for the foreseeable future and will be able to discharge its liabilities in the normal course of business as they become due. As at September 30, 2014, the Company had an accumulated deficit of $57,676,598. The Company incurred a loss for the interim period ended September 30, 2014 of $3,582,179 and used cash in operations of $2,705,201.

The Company is currently in legal disputes with the Kyrgyzstan Government in relation to its Kutessay and Kalesay exploration licenses (see Note 7). This has resulted in the Company significantly reducing its exploration activities and future planned exploration activities. Further, due to depressed prices of rare earth elements and the issue with the noted exploration licenses, the Company decided to defer its plans to refurbish and update the Kashka Rare Earth Processing Facility. In relation to these events, the Company recorded an impairment charge of $387,652 for the interim period ended September 30, 2014 ($18,857,551 during the year ended December 31, 2013).

There is no assurance that the Company will be successful in collecting USD $118,206,057 awarded to the Company by Arbitration Court at the Moscow Chamber of Commerce and Industry (the "Tribunal") on June 30, 2014 on conclusion of the legal disputes with the Kyrgyzstan Government and in relation to its Kutessay and Kalesay exploration licenses. There is also no assurance that the Company will be able to find alternative sources of ore for its Kashka Rare Earth Processing Facility. Accordingly this results in material uncertainty that casts significant doubt as to the Company's ability to continue to operate as a going concern. If the going concern assumption was not appropriate for the consolidated financial statements, then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position, which could be material.

The interim condensed consolidated financial statements were authorized for issue by the Company's Board of Directors on November 28, 2014.

2. BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements ("interim financial statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). The accounting policies applied in these interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2013. There have been no changes from the accounting policies applied in the December 31, 2013 financial statements, except as disclosed in note 3.

These interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2013 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

(Expressed in Canadian dollars)

These interim financial statements include the accounts of Stans and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. Stans and all of its subsidiaries have a reporting date of December 31.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	% of ownership and voting rights	Principal activity	Functional currency
Subsidiaries				
Stans Energy Corp.	Canada	n/a	Corporate and holding	CAD
Stans Energy KG LLC.	Kyrgyz Republic	100%	Exploration	USD
Kutisay Mining LLC.	Kyrgyz Republic	99.9%	Exploration	USD
Kashka REE Plant Ltd.	Kyrgys Republic	99.9%	Extraction	USD
SevAmRus CJSC	Russian Federation	99%	Research	RUB
Didim Inc.(*)	Russian Federation	100%	Research	RUB

* The Company, through its subsidiary SevAmRus CJSC, aquired Didim Inc. on September 1, 2014 for CDN $280 (RUB 9,900)

3. SIGNIFICANT ESTIMATES AND ASSUMPTIONS AND ACCOUNTING CHANGES

Significant Accounting Estimates and Assumptions

The preparation of these interim financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Company's accounting policies. The areas involving significant judgment and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2013.

Accounting changes

Stripping costs

In October 2011, IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" ("IFRIC 20") was issued, which provides guidance on the accounting for costs related to stripping activity in the production phase of surface mining. When the stripping activity results in the benefit of useable ore that can be used to produce inventory, the related costs are to be accounted for in accordance with International Accounting Standard ("IAS") 2 "Inventories". When the stripping activity results in the benefit of improved access to ore that will be mined in future periods, the related costs are to be accounted for as additions to non-current assets when specific criteria are met.

IFRIC 20 is effective for annual periods beginning on or after January 1, 2013. The Company determined there was no significant impact on the Company's consolidated financial statements.

Consolidation and related standards

In May 2011, the IASB issued the following suite of consolidation and related standards, all of which are effective for annual periods beginning on or after January 1, 2013.

IFRS 10 “Consolidated Financial Statements” (“IFRS 10”), which replaces parts of IAS 27, “Consolidated and Separate Financial Statements” (“IAS 27”) and all of Standing Interpretations Committee (“SIC”) 12 “Consolidation – Special Purpose Entities”, changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company determined there was no significant impact on the Company’s consolidated financial statements.

IFRS 11 “Joint Arrangements” (“IFRS 11”), which replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-monetary Contributions by Venturers”, requires a venturer to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its assets, liabilities, revenue, and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture’s net assets using the equity method of accounting. The application of this standard does not have any impact on the Company’s consolidated financial statements.

IAS 28 “Investments in Associates and Joint Ventures (2011)” (“IAS 28 (2011)”) was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now also addresses joint ventures that are to be accounted for by the equity method. The application of the equity method has not changed as a result of this amendment. The Company determined no significant impact on the Company’s consolidated financial statements.

IFRS 12 “Disclosure of Interests in Other Entities” (“IFRS 12”) is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and structured entities. This standard carries forward the disclosures that existed under IAS 27, IAS 28 and IAS 31, and also introduces additional disclosure requirements that address the nature of, and risks associated with an entity’s interests in other entities. The Company determined no significant impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies

Information on new standards, amendments and interpretations that has not been issued but is not yet effective and that are expected to be relevant to the Company’s consolidated financial statements are provided below:

IFRS 9 “Financial Instruments” (“IFRS 9”) which replaces IAS 39, “Financial Instruments: Recognition and Measurement”, in phases. IFRS 9 (2009) reflects the IASB's first phase of the project relating to the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they were held and the characteristics of their contractual cash flows. IFRS 9 (2010) provides guidance on the classification and measurement of financial liabilities and the requirements of IAS 39 for the de-recognition of financial assets and liabilities. IFRS 9 (2013) introduces a new general hedge accounting model which provides guidance on the eligibility of hedging instruments and hedged items, accounting for the time value component of options, qualifying criteria for applying hedge accounting, modification and discontinuation of hedging relationships, and required disclosures. In subsequent phases, the IASB plans to make limited amendments to the classification and measurement requirements of IFRS 9 and to add new requirements to address macro hedge accounting and impairment of financial assets. The IASB tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018. We do not intend to adopt this standard early.

(Expressed in Canadian dollars)

In May 2013, the IASB issued IFRIC 21, “Levies”. This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning January 1, 2014. The extent of the impact of adoption of the amendments has not yet been determined.

4. CASH AND CASH EQUIVALENTS

		September 30, 2014		December 31, 2013
Cash held in bank accounts	**$**	**479,862**	$	559,163
Short term investments		**1,176,186**		4,702,678
	$	**1,656,048**	$	5,261,841

5. SEGMENTED INFORMATION

As at September 30, 2014, December 31, 2013 the Company’s assets were located in the following countries:

		September 30, 2014		December 31, 2013
Canada	$	**1,570,260**	$	5,037,776
Kyrgyz Republic		**491,620**		619,437
Russia		**172,978**		157,522
Total	$	**2,234,857**	$	5,814,735

6. PREPAID EXPENSES AND OTHER ASSETS

		Period Ended		
		September 30, 2014		December 31, 2013
Prepaid expenses	$	**73,122**	$	46,197
Consumables		**1,429**		1,499
Inventories		**10,126**		10,424
Other		**308**		33
Total	$	**84,985**	$	58,153

During the impairment procedures as described in the Note 7, the Company wrote off $1,837,221 in prepaid expenses and other assets for the year ended December 31, 2013.

7. IMPAIRMENT

The Company considers both quantitative and qualitative factors to assess impairment. Since early 2013, the Kyrgyzstan Government and the Company have been involved in a legal dispute with respect to its Kutessay and Kalesay exploration licenses. A chronological summary of events is described below:

(i) On April 2, 2013 the Kyrgyz General Prosecutor's Office (GPO) initiated legal proceedings against the Kyrgyz State Geological and Mineral Resources Agency (SGA) in the Inter-District Court of the City of Bishkek. The State Prosecutor's Office put forward an application to lift the three-year statute of limitations to allow them to present to the court their claim of request to nullify the minutes of the December 21, 2009 meeting between the SGA and Open Stock Company (OSC) 'Kutisay Mining' which granted OSC 'Kutisay Mining' mining licenses for the Kutessay II and Kalesay deposits. OSC 'Kutisay Mining' was a 100% state-owned special purpose entity, created to hold mining licenses for the Kutessay II and Kalesay deposits. It was put up for an open and previously advertised government auction on December 29, 2009. Stans Energy's local subsidiary, Stans Energy KG, acquired OSC 'Kutisay Mining' on December 29, 2009 through this auction, where the sum of USD $863,550 was paid to the Government. Stans Energy KG was subsequently re-registered OSC 'Kutisay Mining' as it's fully owned subsidiary ‘Kutisay Mining LLC’. Stans and its legal representation are of the position that the claim filed by the State Prosecutor's Office is without any legal merit, and that the Company's 100% owned mining licenses for both properties were obtained lawfully, through transparent government auction, on December 29, 2009.

(ii) On May 3, 2013 the Inter-district Court of Bishkek, at the request of the General Prosecutors Office of the Kyrgyz Republic, issued an injunction to suspend communications between Company's subsidiary 'Kutisay Mining LLC' and the State Geological Agency of the Kyrgyz Republic (SGA), until such time that the ongoing above mentioned court case is resolved.

(iii) On October 31, 2013 Stans Energy commenced international arbitration against the Government of Kyrgyzstan for its expropriatory and unlawful treatment of the Company in relation to the Kutessay II rare earth project. The claim was USD $117,853,000 in compensation for losses and damage. The arbitration which was brought by Stans and its subsidiaries took place under the Convention for the Protection of Investor's Rights to which Kyrgyzstan is a signatory. In April 2014, the Arbitration Court concluded its final hearings and the court ruled in favour of Stans. On June 30, 2014 the Court awarded USD $118,206,056.80 for recovery by the Company.

(iv) In March 2014, the Inter-District Court of Bishkek ruled in favour of the Kyrgyz General Prosecutor's Office with respect to its claim regarding Stans's wholly owned Kutessay II project. In April 2014, the Company filed an appeal to the Bishkek City Court in response to the ruling from the Inter-District Court of Bishkek in favor of the Kyrgyz General Prosecutor’s Office claim. On July 30, 2014, the Bishkek city court ruled in favour of the Kyrgyz General Prosecutor's Office. Stans Energy has a filed a claim to the Interdistrict Court of Bishkek contesting the SGA decision to revoke the licence based on the July 30, 2014, ruling by the City Court of Bihskek. The first hearing on this matter is scheduled for December 8, 2014.

(v) On November 3, 2014, the SGA notified through its licencing committee notified Kutisay Minning LLC that it was revoking the licences for Kutessay II and Kalesay properties. Stans filed a claim to the Interdistrict Court of Bishkek contesting the SGA decision to revoke the licence based on the July 30, 2014, ruling by the City Court of Bihskek. The first hearing on this matter is scheduled for December 8, 2014.

(Expressed in Canadian dollars)

At September 30, 2013, due to the above legal matters not enabling the Company to explore and develop its mineral properties and the inability to identify a feasible alternate source of rare earth elements that could be processed at the Kashka Rare Earth Processing Facility, the Company determined that there were indicators of impairment for its mineral properties; property plant and equipment; and other assets in Kyrgyzstan. As a result at September 30, 2013, the Company in accordance with IAS 36, Impairment of Assets, recorded an impairment of $18,857,551 which included $9,324,431 relating to its interests in the Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties (Note 9); $7,695,899 relating to the Kashka Rare Earth Processing Facility (Note 8); and write off of $1,837,221 in prepaid expenses and other assets (Note 6). During the period ended September 30, 2014, the Company recorded an additional impairment of $387,652 which included $234,354 relating to its interests in the Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties (Note 9) and $153,298 relating to the Kashka Rare Earth Processing Facility (Note 8).

8. PROPERTY, PLANT AND EQUIPMENT

		Land, Plant, Equipment and Vehicles		Office & Computer Equipment		Total
Cost						
Balance at Jan 1, 2014	$	175,832	$	110,065	$	285,897
Additions (Note 7)		153,298		-		153,298
Balance before impairment and depreciation		329,130		110,065		439,195
Depreciation and Impairment						
Balance at Jan 1, 2014	$	(49,591)	$	(89,055)	$	(138,645)
Depreciation		(14,587)		(10,661)		(25,248)
Impairment of Kashka plant (Note 7)		(153,298)		-		(153,298)
Balance at September 30, 2014		(217,476)		(99,715)		(317,192)
		111,654		**10,350**		**122,004**
Foreign exchange impact					$	(8,858)
Net Book Value as of September 30, 201	**$**	**111,654**	**$**	**10,350**	**$**	**113,146**

		Land, Plant, Equipment and Vehicles		Office & Computer Equipment		Total
Cost						
Balance at Jan 1, 2013	$	7,656,647		132,580		7,789,227
Additions		273,856		4,400		278,256
Foreign exchange impact		114,589		(4,817)		109,772
Balance before impairment and depreciation		8,045,093		132,163		8,177,255
Depreciation and Impairment						
Balance at Jan 1, 2013	$	(98,507)	$	(82,243)	$	(180,750)
Depreciation		(114,063)		(18,117)		(132,180)
Impairment of Kashka plant (Note 7)		(7,684,789)		(11,110)		(7,695,899)
Foreign exchange impact		1,151		3,812		4,962
Balance at December 31, 2013		(7,896,209)		(107,658)		(8,003,867)
Net Book Value as of December 31, 2013	$	148,884	$	24,504	$	173,388

The Kashka Rare Earth Processing Facility was acquired in 2011. Given the Company's current inability to further develop its Kutessay II, Kalesay and other mineral properties and the inability to date to identify a feasible alternate source of rare earth elements that could be processed at this facility, it is expected that this Kashka will remain idle for an indefinite period.

(Expressed in Canadian dollars)

9. MINERAL PROPERTIES

As of September 30, 2014, the Company, through its subsidiaries in Kyrgyz Republic, holds the following licenses:
Licenses to the exploration rights:

Kyzyluraan
Kargysh *
Aktyuz

*On June 16, 2014, the Company received a licence for subsoil use with in the Kargysh Ore Occurrence of the Kyzyluraan area for geological exploration of vanadium, molybdenum and uranium vapid for three years until June 16, 2017 as a separation from its Kyzyluraan Field Prospecting Licence. The size of the new exploration licence area is 701 hectares.

Mining licenses (see Note 18, Subsequent event):

Kutessay II *
Kalesay *

* On November 3, 2014, the SGA notified through its licencing committee notified Kutisay Minning LLC that it was revoking the licences for Kutessay II and Kalesay properties.

Licenses to exploration and mining rights in the Kyrgyz Republic as of September 30, 2014:

	Balance at January 1, 2014	Changes in the period		Impairment (Note 7)	Balance at September 30, 2014
		Additions	Foreign exchange translation		
Kyzyluraan	$ -	37,111	-	(37,111)	$ -
Kargysh	-	-	-	-	-
Aktyuz	-	70,446	-	(70,446)	-
Kutessay II	-	126,796	-	(126,796)	-
Kalesay	-	-	-	-	-
	$ -	234,354	-	(234,354)	$ -

Licenses to exploration and mining rights in the Kyrgyz Republic as of December 31, 2013:

	Balance at January 1, 2013	Changes in the period		Impairment (Note 7)	Balance at December 31, 2013
		Additions	Foreign exchange translation		
Kyzyluraan	$ 2,682,065	220,075	321,395	(3,223,535)	$ -
Aktyuz	1,862,142	113,197	223,143	(2,198,482)	$ -
Kutessay II	2,220,508	969,959	266,086	(3,456,553)	$ -

(Expressed in Canadian dollars)

Kalesay		377,732	22,864	45,265	(445,861)	$	-
	$	7,142,447	1,326,095	855,889	(9,324,431)	$	-

10. SHARE CAPITAL

(a) Authorized and issued capital

The Company has unlimited authorized common shares with no par value. A summary of common share transactions for the nine months period ended September 30, 2014 and year ended December 31, 2013 is as follows:

	Number of shares		Amount
Balance, December 31, 2012	157,263,986	$	43,110,033
Balance, December 31, 2013	157,263,986	$	43,110,033
Balance, September 30, 2014	**157,263,986**	**$**	**43,110,033**

(b) Warrants

A summary of the status of the common share purchase warrants during the nine months ended September 30, 2014 is as follows:

		September 30, 2014		**December 31, 2013**
Balance, beginning of period	$	-	$	8,475,676
Expired*		-		(8,475,676)
Balance, end of period	$	-	$	-

* common share purchase warrants expired on April 28, 2013

(c) Stock options

Under the terms of the Company's Stock Option Plan (the "Plan"), the maximum number of shares reserved for issuance under the Plan is 10% of the issued shares on a rolling basis. Options may be exercisable over periods of up to 10 years as determined by the board of directors of the Company and the exercise price shall not be less than the closing price of the shares on the day preceding the award date, subject to regulatory approval.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2014:

	Number of options		Weighted average exercise price
Balance at December 31, 2013	**11,990,000**	**$**	**0.81**
Granted (a,c,d)	3,800,000		0.09
Cancelled (b)	(300,000)		0.94
Balance at September 30, 2014	**15,490,000**	**$**	**0.63**

(Expressed in Canadian dollars)

(a) On March 3, 2014, the Company granted 2,700,000 stock options to directors and officers with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.07 per share at any time on or before March 3, 2019. The fair value of these stock options of $171,131 was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Share price	$0.07
Expected dividend yield	Nil
Risk-free interest rate	1.77%
Expected life	5 years
Expected volatility	147.6%

(b) On April 6, 2014, 300,000 stock options issued to the Company officer were cancelled due to an officer resignation on January 6, 2014.

(c) On June 3, 2014, the Company granted 800,000 stock options to a director and an officer with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.13 per share at any time on or before June 3, 2019. The fair value of these stock options of $92,338 was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Share price	$0.13
Expected dividend yield	Nil
Risk-free interest rate	1.67%
Expected life	5 years
Expected volatility	140.2%

(d) On July 8, 2014, the Company granted 300,000 stock options to a director with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.18 per share at any time on or before July 8, 2019. The fair value of these stock options of $46,360 was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Share price	$0.18
Expected dividend yield	Nil
Risk-free interest rate	1.67%
Expected life	5 years
Expected volatility	129.50%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The following table reflects the continuity of stock options for the year ended December 31, 2013 (all options are exercisable into one common share):

	Number of options		Weighted average exercise price
Balance at December 31, 2012	14,423,333	$	0.90
Granted	1,500,000		0.18
Cancelled/Expired*	(3,933,333)		1.13
Outstanding at December 31, 2013	11,990,000	**$**	**0.81**

*Out of $3,933,333 options, 933,333 were expired, and 3,000,000 were cancelled in 2013

(Expressed in Canadian dollars)

The following table reflects the actual stock options issued and outstanding as of September 30, 2014 (all options are exercisable into one common share of Stans):

Expiry Date	Option price ($)	Number of options outstanding	Number of options vested and exercisable	Remaining contractual life of options outstanding, years	Vesting Exercise period (months)
12-Jan-15	0.37	1,500,000	1,500,000	0.28	18
12-Jan-15	0.37	50,000	50,000	0.28	immediate
29-Apr-15	0.32	835,000	835,000	0.58	18
18-Jun-15	0.25	1,600,000	1,600,000	0.72	18
26-May-16	1.85	2,615,000	2,615,000	1.65	18
14-Jul-16	1.46	200,000	200,000	1.79	18
03-Aug-16	1.39	500,000	500,000	1.84	18
10-Jan-17	0.74	2,200,000	2,200,000	2.28	18
27-Feb-17	1.12	40,000	40,000	2.41	9
11-May-17	0.74	100,000	100,000	2.61	18
11-May-17	0.74	200,000	200,000	2.61	18
02-Aug-17	0.61	350,000	350,000	2.84	18
21-Mar-18	0.41	100,000	100,000	3.47	18
02-May-18	0.23	50,000	41,667	3.59	18
02-May-18	0.23	250,000	208,333	3.59	18
23-Oct-18	0.15	1,100,000	550,000	4.07	18
03-Mar-19	0.07	2,700,000	900,000	4.42	18
03-Jun-19	0.13	800,000	133,333	4.68	18
08-Jul-19	0.18	300,000	50,000	4.77	18
		15,490,000	12,123,333	2.33	

11. NON-CONTROLLING INTEREST

		SevAmRus		Stans Energy KG		Total
Balance at January 1, 2013	$	(2,009)	$	4,641	$	2,632
Share of income (loss)		(10,055)		(157,643)		(167,698)
Total as of December 31, 2013	$	(12,064)	$	(153,002)	$	(165,066)
Share of income (loss)		(2,272)		(2,750)		(5,022)
Total as of September 30, 2014	$	(14,336)	$	(155,752)	$	(170,088)

Non-controlling interest includes SevAm Rus, Kutisay Mining Corp., Kashka REE Plant Ltd.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, contributed surplus, share purchase warrants, accumulated other comprehensive loss and deficit in the definition of capital. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development 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 team to sustain the future development of the business. The Company includes equity, comprised of issued common shares, contributed surplus and deficit in the definition of capital.

As at September 30, 2014, managed capital was $1,986,182 ($5,576,944 at December 31, 2013). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2014. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

13. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk relates to cash and cash equivalents, accounts receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. As at September 30, 2014, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, and accounts receivable.

The Company has no significant concentration of credit risk arising from operations. The Company's cash and short-term investments are either on deposit with one of highly rated banking groups in Canada or invested in guaranteed investment certificates issued by one of highly rated Canadian banking groups. Amounts receivables consist of sales tax receivable from government authorities in Canada, Kyrgyzstan and Russia. Management believes that the credit risk with respect to financial instruments included in cash, short-term investments and amounts receivable is remote.

Liquidity risk

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had a cash balance of $479,862 (December 31, 2013 - $559,163) and short-term investments of $1,176,186 (December 31, 2013 - $4,702,678) to settle current liabilities of $248,675 (December 31, 2013 - $237,791). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

Market risk

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in SOM and Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate. The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates. At September 30, 2014, the Canadian dollar equivalent of the Company's financial instruments is as follows:

	Canadian Dollar
Cash	$ 166,963
Prepaid expenses and other receivables	390,501
	557,464
Accounts payable and accrued liabilities	(172,394)
Net assets (liabilities) exposure	$ 385,070

Based on the above net exposures at September 30, 2014, a 10% depreciation or appreciation of the above currencies against the CDN dollar would result in an increase or decrease, respectively, in our net loss by $32,454 (December 31, 2013 - $33,940).

14. RELATED PARTY TRANSACTIONS

During the interim period ended September 30, 2014, the Company expensed $82,688 (nine months ended September 30, 2013 - $12,450) in consulting fees to a director and officers of the Company (included in the table below). These transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related party).

The remuneration awarded to Directors and to senior key management is as follows:

	Three month period ended		**Nine month period ended**	
	Sept. 30, 2014	Sept. 30, 2013	**Sept. 30, 2014**	Sept. 30, 2013
Salaries, officers and directors fees	**$ 115,003**	$ 158,363	**$ 317,478**	$ 749,229
Termination benefit	**$ -**	$ 446,000	**$ -**	$ 446,000
Stock-based compensation	**83,796**	$ 5,739	**$ 225,044**	$ 235,085
	$ 198,798	$ 610,102	**$ 542,522**	$ 1,430,314

15. OFFICE AND ADMINISTRATION EXPENSES

The following expenses are included in office and administration expenses:

(Expressed in Canadian dollars)

	Three month period ended		Nine month period ended	
	Sept. 30, 2014	Sept. 30, 2013	**Sept. 30, 2014**	Sept. 30, 2013
Salaries and other employee benefits	**$ 338,004**	$ 867,018	**$ 1,085,986**	$ 2,059,539
Travel	**59,603**	106,644	**208,355**	250,241
Rent	**39,198**	41,143	**116,225**	144,492
Promotion and advertising	**7,434**	19,645	**12,434**	46,500
Investors' relations	**33,910**	15,734	**57,089**	29,669
Other office and administration expenses	**108,750**	121,731	**312,611**	237,197
	$ 586,899	$ 1,171,915	**$ 1,792,700**	$ 2,767,638

16. EARNINGS PER SHARE

Earnings per share (''EPS'') has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the year. Stock options are reflected in diluted earnings per share by application of the treasury method.

As a result of the loss incurred in 2014 and 2013, all potentially dilutive securities are anti-dilutive. The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

	Period Ended	
	September 30, 2014	September 30, 2013
Net loss attributable to common shareholders	**$ 3,664,833**	**$** 20,430,649
Basic weighted average shares outstanding	**157,263,986**	157,263,986
Diluted weighted average shares outstanding	**157,263,986**	157,263,986
Basic and diluted loss per share	**$ 0.02**	$ 0.13

17. COMMITMENTS

The Company is committed to pay approximately $6,900 per month for the lease of its office.

	2014	2015	2016	2017	**Total**
Operating leases	$20,367	$82,800	$82,800	$48,300	**$234,267**

18. SUBSEQUENT EVENT

On November 3, 2014, the SGA notified through its licencing committee notified Kutisay Minning LLC that it was revoking the licences for Kutessay II and Kalesay properties.