Condensed Consolidated Interim Financial Statements of

West Kirkland Mining Inc.

September 30, 2013

(Expressed in Canadian dollars)

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West Kirkland Mining Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(unaudited)

		September 30, 2013		December 31, 2012
Assets				
Current assets:				
Cash	$	**871,597**	$	174,184
Accounts receivable		**6,890**		142,826
Prepaid expenses and other		**29,982**		35,151
		908,469		352,161
Reclamation bond (Note 3)		**90,531**		125,082
Property and equipment (Note 4)		**106,597**		123,402
Mineral properties (Note 5)		**10,210,599**		11,044,433
	$	**11,316,196**	$	11,645,078
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	**356,723**	$	1,258,280
Notes payable (Note 6)		**-**		180,829
		356,723		1,439,109
Reclamation provision		**85,084**		80,972
		441,807		1,520,081
Equity:				
Share capital (Note 7)		**22,557,448**		18,953,510
Warrant reserve (Note 7)		**1,450,827**		82,606
Share based payment reserve (Note 7)		**544,620**		520,567
Foreign currency translation reserve		**124,630**		(191,566)
Deficit		**(13,803,136)**		(9,240,120)
		10,874,389		10,124,997
	$	**11,316,196**	$	11,645,078

Going Concern (Note 1)

Commitments and contingencies (Note 12)

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

Approved by the Board of Directors and authorized for issue on November 29.

/s/ "R. Michael Jones" — Director

/s/ "Kevin Falcon" — Director

West Kirkland Mining Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended September 30, 2013	Three months ended September 30, 2012	**Nine months ended September 30, 2013**	Nine months ended September 30, 2012
Expenses				
Salaries and benefits	**$ 125,353**	$ 113,060	**$ 478,973**	$ 352,562
Professional fees	**88,083**	110,976	**283,635**	271,475
Office and general expense	**34,522**	67,744	**136,483**	200,876
Rent	**30,147**	40,471	**117,456**	131,470
Shareholder relations	**5,506**	38,454	**104,564**	184,923
Management and consulting fees	**30,900**	54,519	**92,900**	213,119
Stock compensation expense	**-**	-	**73,933**	12,759
Travel	**3,406**	16,698	**43,485**	81,261
Property investigation costs	**23,898**	2,800	**34,236**	8,909
Impairment of assets held for sale	**-**	-	**32,299**	-
Filing and transfer agent fees	**3,784**	15,597	**20,624**	40,734
Depreciation expense	**1,457**	10,623	**1,907**	35,420
Writedown of exploration projects (Note 5)	**3,197,179**	6,000	**3,197,179**	2,132,079
Loss from operations	**3,544,235**	**476,942**	**4,617,674**	**3,665,587**
Finance Income				
Interest Income	**(48)**	(300)	**(4,778)**	(9,024)
Flow through share premium	**-**	(9,308)	**-**	(432,924)
Net loss	**3,544,187**	**467,334**	**4,612,896**	**3,223,639**
Currency translation adjustment	218,842	252,748	(316,196)	224,585
Comprehensive loss for the period	**3,763,029**	**720,082**	**4,296,700**	**3,448,224**
Basic and diluted loss per share	**$ 0.06**	$ 0.01	**$ 0.08**	$ 0.09
Weighted average number of shares outstanding:				
Basic and diluted	**60,293,336**	36,656,125	**55,590,574**	34,111,186

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

West Kirkland Mining Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(unaudited)

	Share Capital		Reserves				
	Number	Amount	Warrant Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance at December 31, 2011	32,824,733	$ 17,434,692	$ 448,219	$ 650,276	$ (55,591)	$ (5,587,437)	$ 12,890,159
Private Placement (Note 7)	4,828,603	1,607,405	82,606	-	-	-	1,690,011
Share issue costs (including tax recovery of $17,702)	-	(211,917)	-	-	-	-	(211,917)
Expired stock options	-	-	-	(45,029)	-	45,029	-
Share compensation expense	-	-	-	12,759	-	-	12,759
Other comprehensive loss	-	-	-	-	(224,585)	-	(224,585)
Net loss	-	-	-	-	-	(3,223,639)	(3,223,639)
Balance at September 30, 2012	**37,653,336**	**$ 18,830,180**	**$ 530,825**	**$ 618,006**	**$ (280,176)**	**$ (8,766,047)**	**$ 10,932,788**
Shares issued upon exercise of options	240,000	123,330	-	(75,330)	-	-	48,000
Expired warrants	-	-	(448,219)	-	-	448,219	-
Expired stock options	-	-	-	(22,109)	-	22,109	-
Other comprehensive loss	-	-	-	-	88,610	-	88,610
Net loss	-	-	-	-	-	(944,401)	(944,401)
Balance at December 31, 2012	**37,893,336**	**$ 18,953,510**	**$ 82,606**	**$ 520,567**	**$ (191,566)**	**$ (9,240,120)**	**$ 10,124,997**
Private Placement (Note 7)	22,400,000	4,231,779	1,368,221	-	-	-	5,600,000
Share issue costs	-	(627,841)	-	-	-	-	(627,841)
Share compensation expense	-	-	-	73,933	-	-	73,933
Cancelled stock options	-	-	-	(49,880)	-	49,880	-
Other comprehensive income	-	-	-	-	316,196	-	316,196
Net loss	-	-	-	-	-	(4,612,896)	(4,612,896)
Balance at September 30, 2013	**60,293,336**	**$ 22,557,448**	**$1,450,827**	**$ 544,620**	**$ 124,630**	**$(13,803,136)**	**$ 10,874,389**

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

West Kirkland Mining Inc.
Condensed Consolidated Interim Statements of Cash flows
(Expressed in Canadian dollars)
(unaudited)

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Cash flows provided by (used in):		
Operating activities		
Net loss	**$ (4,612,896)**	$ (3,223,639)
Items not involving cash:		
Share based compensation expense	**73,933**	12,759
Write-down of exploration projects	**3,197,179**	2,132,079
Impairment of assets held for sale	**32,299**	-
Depreciation	**1,907**	35,420
Flow through premium recognition	**-**	(432,924)
Changes in non-cash working capital:		
Accounts receivable	**137,499**	359,113
Prepaids and other	**7,041**	27,018
Accounts payable and accrued liabilities	**(364,544)**	(17,170)
	(1,527,582)	(1,107,344)
Investing activities		
Additions to mineral properties (Note 5)	**(2,535,516)**	(4,543,603)
Capital Assets	**(30,636)**	-
Reclamation Bond	**37,554**	-
	(2,528,598)	(4,543,603)
Financing activities		
Issuance of share capital	**4,972,159**	1,495,795
Repayment of notes payable	**(183,078)**	-
	4,789,081	1,495,795
Effect of exchange rate changes on cash denominated in a foreign currency	**(35,488)**	2,123
Increase (Decrease) in cash	**697,413**	(4,153,029)
Cash, beginning of period	**174,184**	4,655,863
Cash, end of period	**$ 871,597**	$ 502,834
Supplemental disclosure of cash flow information		
Non-cash investing and financing activities:		
Depreciation capitalized to mineral properties	**$ 15,618**	$ 27,854
Mineral property and deferred exploration expenditures included in accounts payable	**$ 147,663**	$ 412,906

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

1. Nature of Operations and Continuance of Operations

West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) ('West Kirkland' or the 'Company') was incorporated on April 3, 2007, under the Company Act of the Province of British Columbia, Canada. The Company was a capital pool corporation, and on May 28, 2010, completed its Qualifying Transaction as that term is defined in TSX Venture Exchange Policy 2.4. The Company acquired all of the issued and outstanding shares of WK Mining Corp. ('WK Mining') which has been accounted for as a reverse takeover that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the Company's legal subsidiary, WK Mining. The address of the Company's registered office is Suite 788 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company is an exploration company working on mineral properties it has staked or acquired by way of option agreement, in Nevada and Utah. The Company has not yet determined whether these mineral properties contain any economically recoverable ore reserves. The Company defers all acquisition, exploration and development costs related to the properties on which it is conducting exploration. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the interests, and future profitable production, or alternatively, upon the Company's ability to dispose of its interests on a profitable basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Since inception, the Company has incurred cumulative losses of $13.8 million as at September 30, 2013 and a comprehensive loss for the nine months ended of $4.3 million. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position.

2. Basis of Presentation

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ('IAS 34') using accounting policies consistent with International Financial Reporting Standards ('IFRS'). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2012.

The accounting policies applied in these condensed consolidated interim financial statements are those the Company expects to adopt in its consolidated financial statements for the year ended December 31, 2013 and have been applied consistently to all periods presented by the Company and its subsidiaries.

(b) Recent Accounting Pronouncements

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. The adoption of these standards has had no impact on the Company's presentation of its financial position or results of operations as at September 30, 2013.

IFRS 10, Consolidated Financial Statements: IFRS 10 identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of a parent company. Control is comprised of the investor possessing power over the investee, the investor having exposure to variable returns from its involvement with the investee, and the ability for the investor to use its power over the investee to affect those returns. The accounting requirements for consolidation have remained largely consistent with IAS 27, which has been renamed '*IAS 27 – Separate financial statements*' (see below).

IFRS 11, Joint Arrangements: IFRS 11 supersedes *IAS 31, Interests in Joint Ventures,* and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in *IAS 28, Investments in Associates and Joint Ventures.*

IFRS 12, Disclosure of Interests in Other Entities: IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles, and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13, Fair Value Measurements: IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liabilities under current market conditions, including assumptions about risk.

IAS 27, Separate Financial Statements: IAS 27 has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with *IFRS 9 Financial Instruments*. The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current *IAS 27 Consolidated and Separate Financial Statements*, and is replaced by IFRS 10 (see above).

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current *IAS 28 Investments in Associates* does not include joint ventures.

IFRIC 20 – Stripping Costs in the Production Phase of a Mine: In October 2011, the IASB issued IFRIC 20 which clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

IAS 1 – Presentation of Financial Statements: IAS 1 has been updated so that items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged.

(c) Principals of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiaries, WK Mining Corp and WK Mining (USA) Ltd. All material intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

3. Reclamation Bond

The Company's US subsidiary, WK Mining (USA) Ltd., posted a statewide bond of $61,818 (US$60,000) to the Bureau of Land Management (the 'BLM') in the state of Nevada for disturbance of ground required to complete exploration work on projects in Nevada under the jurisdiction of the BLM. During the quarter $20,606 (US$20,000) was refunded by the BLM to the Company. The remaining bond amount of $41,212

(Expressed in Canadian dollars)

(US$40,000) is held in the State of Nevada's reclamation performance bond pool and is applicable to all the Company's properties in Nevada.

WK Mining (USA) has also posted a statewide bond of $49,248 (US$47,800) to the Division of Oil Gas Mining of Utah ('DOGM') in the state of Utah for disturbance of ground required to complete exploration work on the TUG Project. This is a statewide bond and is applicable to work done on any property in Utah under the jurisdiction of the BLM or DOGM. The funds are held in the State of Utah's reclamation performance bond pool. They are held in an interest bearing account and will be returned with interest when the projects are successfully reclaimed. To date, $71 (US$69) in interest was earned on this bond.

WK Mining (USA) had also posted a reclamation bond amounting to $16,947 (US$16,449) as required by the BLM for the disturbance of ground required to complete exploration work on the Goldstorm Project located in Northern Nevada. The funds were held in the State of Nevada's reclamation performance bond pool. The amount of the bond was calculated to reflect the estimated cost of the BLM reclaiming the disturbance in the event the Company is unable to do the reclamation. This bond was transferred to Mexivada Mining Corp. (the owners of the mineral rights) in the current quarter and they reimbursed the Company for the above amount.

4. Property and Equipment

The Company holds the following property and equipment at September 30, 2013:

Cost	Bridge	Field Equipment	Leasehold Improvements	Vehicles	Total
Balance as at December 31, 2012	$ 53,460	$ 56,162	$ 5,226	$ 89,018	$ 203,866
Additions	-	-	51,703	-	51,703
Disposals	(15,000)	-	(5,226)	(8,874)	(29,100)
Impairment of asset held for sale	(38,460)	-	-	-	(38,460)
Foreign exchange movement	-	1,653	-	2,852	4,505
Balance September 30, 2013	**$ -**	**$ 57,815**	**$ 51,703**	**$ 82,996**	**$ 192,514**
Accumulated Depreciation					
Balance as at December 31, 2012	6,161	33,812	2,815	37,676	80,464
Additions	-	5,183	1,231	11,111	17,525
Disposals	(6,161)	-	(2,815)	(5,218)	(14,194)
Foreign exchange movement	-	967	-	1,155	2,122
Balance at September 30, 2013	**$ -**	**$ 39,962**	**$ 1,231**	**$ 44,724**	**$ 85,917**
Carrying amount, September 30, 2013	**$ -**	**$ 17,853**	**$ 50,472**	**$ 38,272**	**$ 106,597**
Carrying amount, December 31, 2012	$ 47,299	$ 22,350	$ 2,411	$ 51,342	$ 123,402

During the nine months ended September 30, 2013 and 2012 the Company capitalized depreciation of $15,618 and $27,854 to mineral properties.

During the period ended September 30, 2013 the Company sold a bridge, an ATV, a snowmobile and various other assets from Kirkland Lake. Total cash proceeds of $17,135 were received from the sales and a loss on the sale of assets of $3,935 was recorded in office and general expenses.

(Expressed in Canadian dollars)

5. Mineral Properties

	Kirkland Lake	Fronteer	Rubicon	Total
Acquisition costs of mineral rights				
Balance January 1, 2012	$ 806,088	$ 79,689	$ 115,130	$ 1,000,907
Incurred during the year	62,399	9,769	52	72,220
Write-down	(673,424)	-	-	(673,424)
Foreign exchange movement	-	(1,731)	(2,501)	(4,232)
Balance December 31, 2012	195,063	87,727	112,681	395,471
Deferred exploration costs				
Balance January 1, 2012	$ 3,604,006	$ 3,250,561	$ 888,144	$ 7,742,711
Administration	9,065	32,183	38	41,286
Consulting	17,464	352,019	42,470	411,953
Drilling	1,017,020	1,561,149	591,722	3,169,891
Equipment/fuel/parts	2,780	1,311	13,855	17,946
Field and camp	14,778	31,607	5,796	52,181
Freight/transportation	5,551	18,870	10	24,431
Geochemical and geophysical	10,547	79,440	83,215	173,202
Geological supplies	610	1,651	3,086	5,347
Gov't fees, licenses and maps	1,556	71,914	95,835	169,305
Salaries and wages	259,284	234,042	275,412	768,738
Travel and accommodation	8,500	37,978	23,743	70,221
Vehicle and fuel	28,217	27,894	38,294	94,405
Write-down	(2,083,690)	-	-	(2,083,690)
Reclamation asset	-	58,810	22,162	80,972
Foreign exchange movement	-	(70,391)	(19,546)	(89,937)
Balance December 31, 2012	2,895,688	5,689,038	2,064,236	10,648,962
Total December 31, 2012	$ 3,090,751	$ 5,776,765	$ 2,176,917	$ 11,044,433

Acquisition costs of mineral rights				
Balance January 1, 2013	$ 195,063	$ 87,727	$ 112,681	$ 395,471
Incurred during the period	26,500	123,968	10,172	160,640
Amount written off	(221,563)	-	-	(221,563)
Foreign exchange movement	-	3,572	3,800	7,372
Balance September 30, 2013	-	215,267	126,653	341,920
Deferred exploration costs				
Balance January 1, 2013	$ 2,895,688	$ 5,689,038	$ 2,064,236	$ 10,648,962
Administration & reclamation asset	-	33,249	3,874	37,123
Consulting	-	660,406	670	661,076
Drilling	26,135	175,209	661,472	862,816
Equipment/fuel/parts	-	93	348	441
Field and camp	-	2,118	854	2,972
Freight/transportation	50	15,325	-	15,375
Geochemical and geophysical	451	5,582	8,695	14,728
Geological supplies	-	1,260	-	1,260
Gov't fees, licenses and maps	2,528	27,032	8,503	38,063
Salaries and wages	39,188	104,685	100,486	244,359
Travel and accommodation	-	8,908	9,065	17,973
Vehicle and fuel	11,576	4,536	7,611	23,723
Amount written off	(2,975,616)	-	-	(2,975,616)
Foreign exchange movement	-	201,976	73,448	275,424
Balance September 30, 2013	-	6,929,417	2,939,262	9,868,679
Total September 30, 2013	$ -	$ 7,144,684	$ 3,065,915	$ 10,210,599

(a) Nevada, United States

(i) Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. ("Fronteer") to option 11 properties which total approximately 234 km^2 in north eastern Nevada and Utah. In addition, under the terms of the agreement, a private placement with Fronteer for 800,000 common shares of the Company at $1.25 per share was completed for gross proceeds of $1,000,000. The funds were spent on exploration activities. On February 3, 2011 Fronteer was acquired by Newmont Mining Corporation ("Newmont"). The acquisition of Fronteer had no effect on the agreement.

West Kirkland has the option to earn a 51% interest on all of the properties by spending $15,400,000 over four years, with the $2,000,000 minimum work requirement due on the first anniversary and a $3,000,000 minimum work requirement due by the second anniversary both having been satisfied at December 31, 2012. As the first and second year minimum work requirements (calculated on an aggregate basis over all the properties) are completed, current work requirements are determined on an individual property by property basis for the third and fourth years of the agreement. Upon completion of the earn-in requirements the Company also has the option of earning an additional nine percent by spending an aggregate $4,000,000 over two years or completing a pre-feasibility study on any designated property.

In the nine months ended September 30, 2013, the Company incurred and capitalized $1,038,403 (2012 - $1,996,248) in exploration costs on the Fronteer properties net of foreign exchange.

On October 18, 2012 the Company acquired, by way of a 25 year lease, an additional 35% of the private mineral interests in certain sections of the TUG property held by a third party. An amount of US$10,000 was paid upon execution of the agreement. The Company will pay consideration in the form of annual advance royalty payments in the amount of US$10,000 for the first through fifth anniversary, after the fifth anniversary the annual payment will escalate by US$5,000, and will escalate by US$5,000 every five years. Production royalties are payable in the amount of 1.4% of the 35% (0.0049%). During years of production on the property if the production royalty is a larger amount than the advance royalty, no advance royalty will be paid. Under the terms of the agreement signed with Fronteer, these rights were deemed an after-acquired interest and became a component of the TUG Property under that agreement. The Company was reimbursed US$4,000 of the acquisition costs by Newmont.

(ii) Rubicon

On June 23, 2011, the Company entered into an agreement with Rubicon Minerals Corporation to option 909 km^2 in north eastern Nevada. West Kirkland has the option to earn a 51% interest in properties that Rubicon owns 100% or 75% of the mineral interest, and 60% of Rubicon's mineral interest where Rubicon's mineral interest is less than 75%, by spending US$15,000,000 over four years. The Company may earn an additional 9% mineral interest in properties that are 100% owned by Rubicon by spending and additional US$4,000,000 in exploration expenditures, or by completing a pre-feasibility study on any property.

Under the terms of the agreement the Company made a firm commitment to a first year expenditure on the property package of US$2,000,000 to be made by June 23, 2012. The deadline to complete this work commitment was subsequently extended to October 31, 2012. Rubicon has acknowledged satisfaction of this commitment.

On January 23, 2013 the remaining three minimum exploration expenditure deadlines were extended to calendar year end instead of the anniversary date of the original agreement thus making the next yearly minimum exploration expenditure (for US$3,000,000) due to be spent by December 31, 2013. Subsequent to period end, the Company extended the three remaining minimum exploration expenditure deadlines by one year making next minimum expenditure requirement due to be spent by December 31, 2014. See subsequent events (Note 13) for further details.

During the nine months ended September 30, 2013 the Company spent $875,026 (2012 - $524,571) on exploration costs net of foreign exchange.

(b) Kirkland Lake – Ontario, Canada

(i) Cunningham

On September 3, 2010, the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral claims and mineral rights to patent parcels and licenses of occupation totaling approximately 10 km^2 in the Holmes and Flavelle Townships west of Kirkland Lake. To complete the option the Company must pay $320,000 in cash ($90,000 paid) and make $600,000 in exploration expenditures (all of which have been made) over 60 months. During the prior year the option was amended to defer a payment of $30,000 to March 2013. This payment was made. All necessary property expenditures have been completed at March 31, 2013 with $1,899,460 in total spent. West Kirkland may also acquire the surface rights to the patent parcels by making additional annual payments of $10,000 ($30,000 paid to date). The vendor retains a 1% net smelter return royalty purchasable at any time up to commercial production for $1,000,000. The Company capitalized $67,615 in exploration costs to the property during the nine months ended September 30, 2013 (2012 - $457,137). The Company chose to not make a property payment due in the current period and the Company has received notice of termination. During the quarter the Company wrote down all the historical capitalized costs related to the property.

(ii) Sutton

On November 16, 2010 the Company entered into an option agreement whereby the Company may acquire a 100% interest in the 2.03 km^2 Sutton property located in Holmes Township, west of Kirkland Lake. Optional consideration consists of $148,000 in cash payments ($38,000 paid) over six years, and a work program of $220,000 (which has been completely incurred) within 36 months. All necessary property expenditures have been completed at December 31, 2012, with $682,610 in total spent. The vendor retains a 2% net smelter royalty of which the Company may purchase three quarters, or 1.5%, for $500,000 prior to the commencement of commercial production. The Company capitalized no exploration costs to the property during the nine months ended September 30, 2013 (2012 - $170,054). Property payments due have not been paid on the property but the Company has not received notice of termination on the property. At the end of the quarter the Company wrote down all the historical capitalized costs related to the property.

(iii) McLean

On November 16, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.57 km^2 McLean property located in Holmes Township, west of Kirkland Lake. To complete the option the Company must make cash payments totaling $55,000 ($17,000 paid) over five years. The Company may acquire the surface rights to the patent parcels by making additional annual payments of $1,000 ($3,000 paid to date), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, which the Company may purchase at any time prior to commercial production for $250,000. During the nine months ended September 30, 2013, $7,911 was capitalized to the property, (2012 - $32,937). Property payments due have not been paid on the property but the Company has not received notice of termination on the property. At the end of the quarter the Company wrote down all the historical capitalized costs related to the property.

6. Notes Payable

On December 18, 2012, the company entered into a loan agreement in the principal amount of $90,000 with a director of the Company, and a second loan agreement, also in the principal amount of $90,000 with a company controlled by a director of the Company. Interest on both notes accrued at a rate of 12% per annum from the date of advance and compounded annually. Total interest of $1,539 was paid on each note when they were repaid on February 8, 2013.

(Expressed in Canadian dollars)

7. Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

At September 30, 2013 the Company had 60,293,336 shares outstanding.

During the period ended September 30, 2013 the Company issued common shares pursuant to the following:

On February 7, 2013 the Company completed a brokered, best efforts private placement of 22,400,000 units of the Company at a price of $0.25 per unit for gross proceeds of $5,600,000. The units consisted of one common share and one common share purchase warrant that entitled the holder to purchase one common share of the Company at a price of $0.40 for a period of 12 months after the closing date. The value of the warrants was estimated using the Black-Scholes pricing model with further details of the assumptions used found in the warrant reserve section. The brokers received a cash commission of $392,000 representing 7% of the gross proceeds raised plus additional fees.

During the year ended December 31, 2012 the Company issued common shares pursuant to the following:

On July 20, 2012 the Company completed a brokered, private placement of 4,828,603 units of the Company at a price of $0.35 per unit for gross proceeds of $1,690,011. The units consist of one common share and one half of one common share purchase warrant, with each full purchase warrant entitling the holder to purchase one common share of the Company at a price of $0.60 for a period of 18 months after the closing date. The value of the warrants is estimated using the Black-Scholes pricing model with further details of the assumptions used found in the warrant reserve section. The brokers received a cash commission of $133,635 representing 7% of the gross proceeds raised plus additional fees.

240,000 options were exercised at a price of $0.20 for one common share for gross proceeds of $48,000. Fair value of the options was $75,330.

Warrant Reserve

	Number of warrants		Amount		Weighted Average Exercise Price
Balance, December 31, 2011	2,956,250	$	448,219	$	1.50
Private placement warrants issued	2,414,301		82,606		0.60
Warrants expired	(2,956,250)		(448,219)		1.50
Balance December 31, 2012	**2,414,301**	**$**	**82,606**	$	**0.60**
Private placement warrants issued	22,400,000		1,368,221		0.40
Balance September 30, 2013	**24,814,301**	**$**	**1,450,827**	**$**	**0.42**

During the period ended September 30, 2013 the Company issued warrants pursuant to the following:

The Company issued 22,400,000 warrants in connection with a private placement completed on February 7, 2013. Each warrant is exercisable at $0.40 per warrant for one common share of the Company for a period of one year.

The fair values of the warrants issued in 2013 were estimated using the Black- Scholes pricing model with the following weighted average assumptions:

(Expressed in Canadian dollars)

Expected life	1.0 years
Risk-free interest rate	1.16%
Expected volatility	91%
Expected dividends	-
Weighted average fair value of warrant granted	$0.06

During the year ended December 31, 2012 the Company issued warrants pursuant to the following:

The Company issued 2,414,301 warrants in connection with the private placement completed on July 20, 2012. Each warrant is exercisable at $0.60 per warrant for one common share of the Company of a period of 18 months.

The fair values of the warrants issued in 2012 were estimated using the Black-Scholes pricing model with the following weighted average assumptions:

Expected life	1.5 years
Risk-free interest rate	0.99%
Expected volatility	78%
Expected dividends	-
Weighted average fair value of warrant granted	$0.03

Share based payment reserve

The Company established a stock option plan (the "Plan") on May 1, 2007, whereby options can be granted to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding.

The following table summarizes the Company's outstanding share options:

Exercise Price	Number Outstanding at September 30, 2013	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at September 30, 2013
$1.15	125,000	2.00	125,000
$1.10	240,000	2.96	240,000
$1.00	100,000	3.13	100,000
$0.90	100,000	1.67	100,000
$0.75	50,000	1.86	50,000
$0.60	865,000	1.66	865,000
$0.22	500,000	4.43	500,000
	1,980,000	2.62	1,980,000

The weighted average remaining contractual life of the options outstanding at September 30, 2013 is 2.62 years.

(Expressed in Canadian dollars)

The following table summarizes the Company's share based payment reserve:

Balance, December 31, 2011	$	650,276
Share compensation expense		12,759
Share options expired or cancelled		(67,138)
Share options exercised		(75,330)
Balance December 31, 2012	**$**	**520,567**
Share compensation expense		73,933
Share options cancelled		(49,880)
Balance September 30, 2013	**$**	**544,620**

On March 6, 2013, 500,000 share options were granted to an officer of the Company. Each share option is exercisable at a price of $0.22 per share for a period of five years and vests immediately. The Company expensed $73,933 related to these options and used the Black-Scholes model to determine the grant date fair value using the following assumptions:

Expected life	5.00
Risk-free interest rate	0.97%
Expected volatility[1]	86%
Expected dividends	-

[1]Expected volatility is based on the trading history of the Company. Given the limited trading history for the Company, this volatility was then compared to the historical volatility of a peer group of companies with a similar corporate structure and operating in similar regions as the Company. The volatility from the Company's limited trading history was similar to the peer group compared to.

During the period ended September 30, 2013 115,000 share options were cancelled valued at $49,880. The fair value of these options was transferred from share based payment reserve to deficit.

During the year ended December 31, 2012, as a result of previously granted share options vesting $12,759 of share compensation expense was recorded in the share based payment reserve.

During the year ended December 31, 2012, 60,000 share options were cancelled and 200,000 share options expired valued at $37,081 and $30,057 respectively. The fair value of these options was transferred from share based payment reserve to deficit on expiry.

During the 4th quarter of 2012 a total of 240,000 share options were exercised at $0.20 per share for total proceeds of $48,000. Fair value of $75,330 was attributed to the exercises.

As at September 30, 2013, the weighted average fair value per option outstanding was $0.26.

	Number	**Weighted average exercise price**
Balance December 31, 2011	2,095,000	$0.74
Cancelled or expired	(260,000)	$0.85
Exercised	(240,000)	$0.20
Balance December 31, 2012	1,595,000	$0.81
Granted	500,000	$0.22
Cancelled	(115,000)	$1.13
Balance September 30, 2013	**1,980,000**	**$0.64**

The weighted average exercise price for both the outstanding and exercisable shares at September 30, 2013 is $0.64.

8. Capital Risk Management

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued share capital, reserves and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt and acquire or dispose of mineral rights.

As at September 30, 2013 the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

9. Financial Risk Management

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

(a) Fair Value

As at September 30, 2013, the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable and accounts payable approximate their carrying values due to the short-term nature of these instruments and the fair value of the reclamation bonds approximates their fair value due to the fact they earn interest at rates approximating market rates.

(b) 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 is exposed to the short-term interest rates through the interest earned on cash balances; however, management does not believe this exposure is significant.

(c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash which is held in large Canadian financial institutions and accounts receivable. The Company believes this credit risk is insignificant.

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain amounts of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 10% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes for the period ended September 30, 2013 of approximately $34,450. The Company monitors its net exposure to foreign currency fluctuations and adjusts its cash held in U.S. dollars accordingly. The following table lists the Canadian dollar equivalent of financial instruments and other current assets denominated in U.S. dollars as of September 30 2013:

(Expressed in Canadian dollars)

	September 30, 2013	December 31, 2012
Cash	$ 295,076	$ 86,050
Accounts receivable	3,505	84,494
Prepaid expenses and other	16,180	9,585
Reclamation bond	90,531	125,082
Accounts payable and accrued liabilities	155,354	689,550

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

10. Segmented Information

The Company operates in one segment, being the exploration of mineral properties in one geographic location Eastern Nevada and Western Utah, USA. The Company's cumulative mineral properties expenditures since inception in Eastern Nevada and Western Utah totaled $10,210,599. The Company's executive and head office is located in Vancouver, British Columbia, Canada.

As at September 30, 2013	Canada	United States	Total
Current Assets	598,686	309,783	908,469
Mineral Properties	-	10,210,599	10,210,599
Other Assets	51,353	145,775	197,128
Total Assets	650,039	10,666,157	11,316,196
Accounts Payable and accrued liabilities	201,369	155,354	356,723
Net loss	4,268,393	344,503	4,612,896

11. Related Party Transactions

The Company paid remuneration for the following items with companies related by virtue of directors in common:

	Three months ended Sept. 30, 2013	Three months ended Sept. 30, 2012	Nine months ended Sept. 30, 2013	Nine months ended Sept. 30, 2012
Administration fees	$ 10,500	$ 10,500	$ 31,500	$ 31,500
Professional fees (accounting)	15,000	15,000	45,000	45,000
Consulting Fees	-	2,614	-	12,583
Directors Fees	30,500	32,500	92,500	103,000
Rent	17,182	22,455	63,223	66,692
Interest on notes payable (Note 6)	-	-	2,249	-
Total Related Party Transactions	$ 73,182	$ 83,069	$ 234,472	$ 258,775

For the period ended September 30, 2013, the Company paid or accrued $31,500 (September 30, 2012 - $31,500) for day-to-day administration, reception and secretarial services and $45,000 (September 30, 2012 - $45,000) for accounting services; $13,543 for rent (September 30, 2012 - $Nil) and $Nil (September 31, 2012 - $12,583) in consulting fees for geographical information systems and mapping to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. All of these amounts were charged at fair market rates with $94,230 owing at period end.

For the period ended September 30 2013, the Company paid $49,680 (September 30, 2012 - $66,692) for rent to Anthem Works Ltd. a company related by virtue of a common director. The rental rate was negotiated on an arm's length basis and is set at a fair market rate. This arrangement ceased in July 2013.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

12. Commitments and Contingencies

The Company is committed under the terms of an operating lease for office premises to total aggregate payments of US$8,056

To acquire certain other mineral property interests in Nevada the Company must make optional acquisition and exploration expenditures in order to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert back to the property vendors. For details of the Company's mineral property acquisitions and optional commitments see Note 5. The Company has no other identified commitments or contingencies.

13. Subsequent Events

- On October 28 the Company entered into an amending letter with Rubicon whereby it will be able to defer all exploration expenditures due to be spent on the property for one year. This deferral makes the next minimum exploration expenditure requirement of US$3 million due December 31, 2014. As compensation for the revised expenditure periods, the Company has issued 1 million shares of the Company to Rubicon.