WPC RESOURCES INC.
(An Exploration Stage Company)

Consolidated Financial Statements
November 30, 2013 and 2012

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WPC RESOURCES INC.

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

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of WPC Resources Inc. as at November 30, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
March 31, 2014

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WPC RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
As at November 30

		2013		2012
Assets				
Current				
Cash	$	4,134	$	1,386
HST and other receivables		4,526		7,630
Prepaid expenses		1,300		-
		9,960		9,016
Reclamation Deposits (Note 6)		42,620		42,620
Exploration and Evaluation Assets (Note 7)		-		1,533,107
	$	52,580	$	1,584,743
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 10)	$	405,363	$	190,988
Flow-through share tax payable		16,735		16,735
		422,098		207,723
Shareholders' Equity (Deficiency)				
Capital Stock (Note 8)		3,466,123		3,458,623
Reserves (Note 8(c))		373,330		478,330
Deficit		(4,208,971)		(2,559,933)
		(369,518)		1,377,020
	$	52,580	$	1,584,743

Approved by the Board:

"Crichy Clarke"
.... Director
Crichy Clarke

"Al Fabbro"
.... Director
Al Fabbro

WPC RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
Years ended November 30

		2013		2012
Expenses				
Management fees (Note 10)	$	120,000	$	107,000
Professional fees (Note 10)		31,427		46,065
Regulatory and filing fees		14,455		20,138
Rent (Note 10)		12,000		12,000
Office (Note 10)		11,210		15,004
Travel and entertainment		9,755		10,634
Consulting fees		6,453		25,093
Insurance		5,250		19,096
Investor and shareholder relations		857		56,696
Interest		323		-
Directors' fees (Note 10)		-		14,000
		211,730		325,726
Foreign exchange loss		139		-
Impairment of exploration and evaluation assets (Note 7)		1,542,169		1,244,671
Flow-through share tax expense		-		13,745
Net Loss and Comprehensive Loss for Year	$	1,754,038	$	1,584,142
Basic and Diluted Loss Per Share	$	0.06	$	0.05
Weighted Average Number of Common Shares Outstanding		29,864,065		29,603,106

See notes to consolidated financial statements.

WPC RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Changes in Equity
Years ended November 30

	Capital stock					
	Number of shares	Amount	Share-based payments	Warrants	Deficit	Total
Balance, November 30, 2011	28,029,342	$2,920,928	$387,932	$105,000	$ (990,393)	$2,423,467
Shares issued for property	750,000	75,000	-	-	-	75,000
Shares issued for cash	7,540,768	490,150	-	-	-	490,150
Share issue costs	-	(27,455)	-	-	-	(27,455)
Expiration of agent options	-	-	(14,602)	-	14,602	-
Loss for the year	-	-	-	-	(1,584,142)	(1,584,142)
Balance, November 30, 2012	36,320,110	3,458,623	373,330	105,000	(2,559,933)	1,377,020
Shares issued for property	750,000	7,500	-	-	-	7,500
Expiration of warrants	-	-	-	(105,000)	105,000	-
Loss for the year	-	-	-	-	(1,754,038)	(1,754,038)
Balance, November 30, 2013	37,070,110	$3,466,123	$373,330	$ -	$(4,208,971)	$ (369,518)

See notes to consolidated financial statements.

WPC RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years ended November 30

		2013		2012
Operating Activities				
Net loss for year	$	(1,754,038)	$	(1,584,142)
Items not involving cash				
Impairment of exploration and evaluation assets		1,542,169		1,244,671
Flow-through share tax expense		-		13,745
		(211,869)		(325,726)
Changes in non-cash working capital				
HST and other receivables		3,104		13,375
Prepaid expenses		(1,300)		616
Accounts payable and accrued liabilities		216,902		128,992
		218,706		142,983
Cash From (Used in) Operating Activities		6,837		(182,743)
Investing Activities				
Expenditures on exploration and evaluation assets		(4,089)		(533,350)
Financing Activity				
Shares issued for cash, net of share issue costs		-		462,695
Cash From Financing Activities		-		462,695
Change in Cash		2,748		(253,398)
Cash, Beginning of Year		1,386		254,784
Cash, End of Year	$	4,134	$	1,386
Supplemental Cash Flow Information				
Exploration expenditures included in accounts payable	$	7,044	$	9,571
Shares issued for exploration and evaluation asset	$	7,500	$	75,000

See notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

WPC Resources Inc. (the "Company") was incorporated under the laws of British Columbia on April 13, 2007. The Company's principal business is the acquisition, exploration and development of resource property interests. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "WPQ".

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 future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation asset interests. The recoverability of amounts shown for exploration and evaluation asset interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their development and future profitable operations, or the sale or optioning of the properties.

Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred operating losses during the year ended December 31, 2013 of $1,754,038 (2012 - $1,584,142) and has a deficit of $4,208,971 (2012 - $2,559,933), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (Continued)

(c) Approval of the financial statements

The consolidated financial statements of WPC Resources Inc. for the year ended November 30, 2013 were approved and authorized for issue by the Board of Directors on March 31, 2014.

(d) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The carrying value of the exploration and evaluation assets and the recoverability of the carrying value.

  Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's resource properties.

  Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The recoverability of deferred tax assets; and
- Provision for reclamation costs, among others.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the financial statements, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its integrated wholly-owned subsidiary, WPC Resources (USA) Inc., a Nevada, USA, corporation, hereinafter, collectively, referred to as the Company.

All material intercompany transactions and balances, including unrealized income and expenses arising from intercompany transactions, have been eliminated on consolidation.

(b) Interest income

Interest income derived from cash, short-term investments and loan receivable is recognized on an accrual basis as earned at the stated rate of interest.

(c) Income taxes

Income tax expense, consisting of current and deferred tax expense, is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) Exploration and evaluation asset interests

The Company capitalizes all expenditures on exploration and evaluation activities as exploration and evaluation asset interests once they have title. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable general and administrative costs. From time to time the Company may acquire or dispose of an exploration and evaluation asset pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of exploration and evaluation asset.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(d) Exploration and evaluation asset interest (Continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

(e) Impairment of non-current assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

(f) Provision for asset retirement obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of an exploration and evaluation asset interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, or as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

(g) Capital stock

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred to capital stock.

(h) Flow-through shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(h) Flow-through shares (Continued)

income tax legislation. A liability is recognized for the premium on the flow-through shares and is subsequently reversed as the Company incurs qualifying Canadian exploration expenses. Any difference between the liability set up for the premium on the flow-through share and the tax effect on the renounced expenditures is recognized in net loss.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve first based on the fair value of the warrant component using the Black-Scholes option pricing model on grant date. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

(i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares; the effect of any anti-dilutive potential common shares are not taken into account in this calculation.

(j) Share-based compensation

The Company sometimes grants share-based awards to directors, officers, employees, consultants and agents. The fair value of options and warrants granted are recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options (and agent warrants) is measured at the option's grant date, and the fair value of non-employee options is measured at the date or over the period during which goods or services are received. Options granted to non-employees are recorded at the fair value of goods or services received in the consolidated statement of comprehensive loss. The fair value of the options granted (and agent warrants) to employees is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The fair value of each tranche of options granted, which do not vest immediately on grant, is recognized using the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. If those options (or agent warrants) expire or are forfeited after vesting, the recorded value is transferred to deficit.

Share-based compensation expense is credited to the equity settled share-based payment reserve. Their fair value is transferred from the reserve to capital stock when the options (or agent warrants) are later exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, FVTPL, loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost, less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company has no assets classified as held-to-maturity.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets, other than impairment losses, are recognized as other comprehensive income and classified as a component of equity. The Company has no assets classified as AFS.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(k) Financial instruments (Continued)

(ii) Financial liabilities

The Company classifies its financial liabilities in the following categories:

Borrowings and other financial liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

(l) New standards, amendments and interpretations not yet effective

At the date of authorization of these consolidated financial statements, the IASB has issued a number of new and revised standards and interpretations, which are not yet effective for the relevant reporting periods.

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) New standards, amendments and interpretations not yet effective (Continued)

- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRS 9 Financial Instruments (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRIC 21 Levies

Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognized progressively if the obligating event occurs over a period of time
- If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.
- Applies to annual periods beginning on or after January 1, 2014.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to annual periods beginning on or after January 1, 2014.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(l) New standards, amendments and interpretations not yet effective (Continued)

Annual Improvements 2010-2012 Cycle

Makes amendments to the following standards:

- **IFRS 2** — Amends the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition"
- **IFRS 3** — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- **IFRS 8** — Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- **IFRS 13** — Clarify that issuing **IFRS 13** and amending **IFRS 9** and **IAS 39** did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- **IAS 16** and **IAS 38** — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- **IAS 24** — Clarify how payments to entities providing management services are to be disclosed

Applicable to annual periods beginning on or after July 1, 2014.

Annual Improvements 2011-2013 Cycle

Makes amendments to the following standards:

- **IFRS 1** — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- **IFRS 3** — Clarify that **IFRS 3** excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- **IFRS 13** — Clarify the scope of the portfolio exception in paragraph 52
- **IAS 40** — Clarifying the interrelationship of **IFRS 3** and **IAS 40** when classifying property as investment property or owner-occupied property

Applicable to annual periods beginning on or after July 1, 2014.

4. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its cash as held-for-trading; and accounts payable and accrued liabilities, as other financial liabilities. The financial assets are carried at fair value as at November 30, 2013 and 2012. The Company classifies its only financial liability, accounts payable and accrued liabilities, as other financial liabilities and carries it at amortized cost. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subject the Company to credit risk consist of cash and reclamation bonds. The risk is minimized as both have been placed with major Canadian financial institutions.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2013	2012
Cash	$ 4,134	$ 1,386

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks consist of interest rate risk, foreign currency risk and other price risk. As at November 30, 2013, the Company is not exposed to significant market risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. The Company's cash at November 30, 2013 totalled $4,134 (2012 - $1,386). At November 30, 2013, the Company had accounts payable (excluding accrued liabilities) of $391,862 (2012 - $170,988) that have contractual maturities of 30 days or less and are subject to normal trade terms.

5. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. 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 effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead in order to manage costs, commitments and exploration activities.

5. CAPITAL MANAGEMENT (Continued)

The Company's primary source of funds comes from the issuance of capital stock. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this financing due to uncertain economic conditions. The Company does not usually use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the year ended November 30, 2013.

6. RECLAMATION DEPOSITS

The Company has placed guaranteed investment certificates ("GICs") in trust as reclamation deposits pursuant to a condition of receiving consent from a government agency to explore its resource property interests. The GICs have principal of $16,160 and $26,460 with nominal interest rates. The GICs matured in 2013 and were renewed immediately. The Company's policy is to renew the GICs indefinitely until the Company has ceased exploration on the related resource property interest and inspections reveal no environmental disturbance.

Subsequent to the year ended November 30, 2013, the Company was returned a portion of its reclamation deposits due to the Company's decision to no longer pursue certain claims.

7. EXPLORATION AND EVALUATION ASSETS

	Quest Lake	Nevada			Total
		SCH	Toiyabe	ZPG	
Balance, November 30, 2011	$ 919,392	$ 340,420	$ 352,553	$ 780,792	$ 2,393,157
Acquisition	-	-	25,000	50,000	75,000
Exploration costs					
Assaying	248	-	-	19,148	19,396
Camp and supplies	114	-	294	13,745	14,153
Claim maintenance and filing fees	1,094	(29,942)	8,552	9,774	(10,522)
Consulting	-	-	1,825	11,594	13,419
Drilling	-	-	-	220,881	220,881
Equipment rental	-	-	-	16,049	16,049
Geological	13,500	-	3,000	8,220	24,720
Legal fees	-	-	632	975	1,607
Site personnel	(155)	-	700	1,500	2,045
Surveying	-	-	-	3,030	3,030
Travel	-	-	1,883	2,960	4,843
Total additions (recoveries) during the year	14,801	(29,942)	41,886	357,876	384,621
Less: Mineral property impairment	(934,193)	(310,478)	-	-	(1,244,671)
Balance, November 30, 2012	-	-	394,439	1,138,668	1,533,107
Acquisition	-	-	2,500	5,000	7,500
Exploration costs					
Claim maintenance and filing fees	-	-	5,549	-	5,549
Camp and supplies	-	-	-	(5,483)	(5,483)
Legal fees	-	-	662	662	1,324
Site personnel	-	-	-	172	172
Total additions (recoveries) during the year	-	-	8,711	351	9,062
Less: Mineral property impairment	-	-	(403,150)	(1,139,019)	(1,542,169)
Balance, November 30, 2013	$ -	$ -	$ -	$ -	$ -

7. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) On January 25, 2011, the Company entered into an option agreement with Genesis Gold Corp. ("GGC") to obtain an exclusive option to the Company to acquire a 100% undivided interest in 119 mineral claims known as the Toiyabe claims located in Lander County, Nevada. The claims are subject to a 3% net smelter returns royalty ("NSR") upon commencement of commercial production. In order to fulfil the terms of the option agreement, the Company is required to make payments, issue shares and incur exploration expenditures as follows:

- Cash payment to the vendors of $79,320 on final acceptance of the option agreement by the TSX-V (approval received January 31, 2011) (paid);
- Issue 300,000 shares after January 31, 2011 (issued – valued at $31,500);
- Issue 250,000 shares on or before January 31, 2012 (issued – valued at $25,000);
- Issue 250,000 shares on or before January 31, 2013 (issued – valued at $2,500); and
- Incur exploration expenditures of $1,500,000 on or before January 25, 2015.

(b) On January 25, 2011, the Company entered into an option agreement with GGC to obtain an exclusive option to acquire a 100% undivided interest in 96 mineral claims known as the ZPG claims located in Lander County, Nevada. The claims are subject to a 3% NSR upon commencement of commercial production. In order to fulfil the terms of the option Agreement, the Company is required to make payments, issue shares and incur exploration expenditures as follows:

- Cash payment to the vendors of $158,640 on final acceptance of the option agreement by the TSX-V (approval received January 31, 2011) (paid);
- Issue 600,000 shares after January 31, 2011 (issued – valued at $63,000);
- Issue 500,000 shares on or before January 31, 2012 (issued – valued at $50,000);
- Issue 500,000 shares on or before January 31, 2013 (issued – valued at $5,000); and
- Incur exploration expenditures of $1,500,000 on or before January 25, 2015.

(c) In 2012, the Company decided to no longer pursue the Quest Lake and Nevada - SCH properties moving forward, and consequently the property values have been written down to $nil.

(d) In 2013, the Company decided to no longer pursue the Toiyabe property moving forward, and consequently the property value has been written down to $nil. Additionally, the Company's claims on its ZPG property lapsed as at November 30, 2013. Consequently, the property value has been written down to $nil. However, the Company intends to continue to pursue the property and is in the process of re-staking the claims and completing registration with the Bureau of Land Management subsequent to year-end.

Realization of assets

The investment in and expenditures on its exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

7. RESOURCE PROPERTY INTERESTS (Continued)

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful life of the property upon commencement of commercial production or written off if the property is abandoned or the claims allowed to lapse.

Title to resource property interest

Although the Company has taken steps to verify the title to the resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its property interests and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former property interests that may result in material liability to the Company.

8. CAPITAL STOCK

(a) Authorized
100,000,000 common shares without par value

(b) Issued and outstanding

<u>During the year ended November 30, 2013:</u>

(i) On July 26, 2013, the Company issued 250,000 shares at a price of $0.01 per share as per the option agreement with GGC for the Toiyabe claims located in Lander County, Nevada, as well as 500,000 shares at a price of $0.01 per share as per the option agreement with GGC for the ZPG claims also located in Lander County, Nevada.

8. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

During the year ended November 30, 2012:

(ii) On May 22, 2012, the Company issued 250,000 shares at a price of $0.10 per share as per the option agreement with GGC for the Toiyabe claims located in Lander County, Nevada, as well as 500,000 shares at a price of $0.10 per share as per the option agreement with GGC for the ZPG claims also located in Lander County, Nevada.

(iii) On October 5, 2012, the Company completed a non-brokered private placement and issued an aggregate of 7,540,768 units at a price of $0.065 per unit for gross proceeds of $490,150. Each unit consists of one common share and one share purchase warrant, which entitles the holder to purchase an additional common share of the Company at a price of $0.12 until October 5, 2014. The Company paid finder's fees in the amount of $27,455 in connection with the private placement.

(c) Stock options

During the year ended November 30, 2013, the Company approved a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period; options, other than options granted to consultants providing investor relations services, shall vest immediately.

8. CAPITAL STOCK (Continued)

(c) Stock options (Continued)

Options to purchase common shares have been granted to directors, employees and consultants as follows:

		2013		2012	
Exercise Price	Expiry Date	Outstanding	Exercisable	Outstanding	Exercisable
$ 0.20	February 12, 2015	1,400,000	1,400,000	1,400,000	1,400,000
$ 0.20	September 1, 2015	50,000	50,000	50,000	50,000
		1,450,000	1,450,000	1,450,000	1,450,000

	Number of Options	Weighted Average Exercise Price
Outstanding, November 30, 2012 and 2013	1,450,000	$ 0.20

The weighted average remaining contractual life of stock options outstanding at November 30, 2013 is 1.22 (2012 - 2.22) years.

Share-based payments

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for stock options. No stock options were granted during the year ended November 30, 2013.

(d) Share purchase warrants

As at November 30, 2013 and 2012, the Company has share purchase warrants outstanding entitling the holders to acquire common shares as follows:

	2013		2012	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	17,418,268	$ 0.18	9,877,500	$ 0.23
Issued	-	-	7,540,768	$ 0.12
Expired	(9,877,500)	$ 0.13	-	-
Balance, end of year	7,540,768	$ 0.12	17,418,268	$ 0.18

8. CAPITAL STOCK (Continued)

(d) Share purchase warrants (Continued)

As at November 30, 2013 and 2012, the following share purchase warrants were outstanding:

		Number of Warrants	
Expiry Date	Exercise Price	**2013**	2012
December 30, 2012	$ 0.25/$ 0.30	-	3,000,000
September 30, 2013	$ 0.20	-	3,675,000
October 25, 2013	$ 0.20	-	200,000
November 23, 2013	$ 0.20	-	3,002,500
October 5, 2014	$ 0.12	7,540,768	7,540,768
		7,540,768	17,418,268

(e) Agent warrants

As at November 30, 2013 and 2012, the Company has agent warrants outstanding entitling the holders to acquire common shares as follows:

	2013		2012	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	536,250	$ 0.25	536,250	$ 0.25
Expired	(536,250)	$ 0.25	-	-
Outstanding and exercisable, end of year	-	-	536,250	$ 0.25

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. Accordingly, share issue costs of $nil (2012 - $nil) were recognized during the year ended November 30, 2013.

As at November 30, 2013 and 2012, the following share purchase warrants were outstanding:

		Number of Warrants	
Expiry Date	Exercise Price	**2013**	2012
September 30, 2013	$ 0.20	-	246,000
November 23, 2013	$ 0.20	-	290,250
		-	536,250

8. CAPITAL STOCK (Continued)

(f) Income tax effect on flow-through share renunciation

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent. In 2011, the Company renounced $465,000 of exploration expenditures under its flow-through share program, resulting in a future tax liability of $116,250. As at November 30, 2011, mineral property expenditures were not incurred as planned, and as a result, the amount of flow-through proceeds remaining to be expended was $111,181. During the year ended November 30, 2012, the Company amended these previously renounced flow-through proceeds of $111,181, as these amounts were not spent within the allowable time period.

9. INCOME TAXES

As at November 30, 2013, the Company has accumulated non-capital losses for tax purposes in Canada of approximately $1,514,000 that may be carried forward to apply against future years' income for income tax purposes. The losses expire as follows:

2027	$ 11,000
2028	21,000
2029	133,000
2030	294,000
2031	368,000
2032	407,000
2033	280,000
	$ 1,514,000

9. INCOME TAXES (Continued)

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of November 30 are as follows:

	2013	2012
Non-capital losses carried forward	$ 1,510,648	$ 1,231,103
Excess of unused exploration expenditures over the carrying value of mineral property interests	2,433,022	890,852
Investment tax credits	178,700	178,700
Share issue costs	103,364	175,917
Unrecognized deductible temporary differences	$ 4,225,734	$ 2,476,572

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 25.67% (2012 – 25.00%) to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2013	2012
Net loss for year	$ (1,754,038)	$ (1,584,142)
Statutory income tax rate	25.67%	25.00%
Income tax benefit computed at statutory tax rate	(450,262)	(396,036)
Items not deductible for income tax purposes	415,697	294,359
Change in timing differences	(403,681)	(357,273)
Effect of change in tax rate	(37,289)	-
Unused tax losses and tax offsets not recognized	475,535	458,950
Deferred income tax expense (recovery)	$ -	$ -

10. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise disclosed in these consolidated financial statements are shown below. These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

	2013	2012
Short-term compensation	$ 120,000	$ 121,000

As at November 30, 2013, $304,192 (2012 - $108,255) is owing to related parties, which are included in accounts payable and accrued liabilities.

10. RELATED PARTY TRANSACTIONS (Continued)

The Company shares office space with a company related by common directors and management, and pays $3,000 on a month-to-month basis for shared office and administrative costs. The monthly fee is split evenly between professional fees, office expenses and rent. These transactions are in the normal course of operations.

11. SEGMENTED DISCLOSURES

The Company operates in one business segment, the acquisition and development of exploration and evaluation assets.

		2013	
	Canada	United States	Total
Exploration and evaluation assets	-	-	-
Reclamation bonds	-	42,620	42,620
Total assets	$ -	42,620	42,620

		2012	
	Canada	United States	Total
Exploration and evaluation assets	-	1,533,107	1,533,107
Reclamation bonds	-	42,620	42,620
Total assets	$ -	$ 1,575,727	$ 1,575,727

12. EVENTS AFTER THE REPORTING DATE

There are no subsequent events to report.