GREEN ARROW RESOURCES INC.
(formerly Bulldog Explorations Ltd.)

Financial Statements
For the Nine Months Ended September 30, 2013 and August 31, 2012
(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim financial statements as at September 30, 2013 and August 31, 2012.

GREEN ARROW RESOURCES INC.
(formerly Bulldog Explorations Ltd.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2013	December 31, 2012
Assets		
Current		
Cash	$ 1,986	$ 136,848
Other receivables (note 7)	113,852	153,776
Prepaids and deposits	53,000	104,643
	168,838	395,267
Exploration and Evaluation Assets (note 6)	344,281	343,901
Total Assets	$ 513,119	$ 739,168
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 92,871	$ 90,762
Deferred Income Tax	6,163	6,163
Total Liabilities	99,034	96,925
Shareholders' Equity		
Share Capital (note 8)	962,286	962,286
Reserve for Options (note 8(d))	54,345	54,345
Reserve for Warrants (note 8(e))	36,119	36,119
Deficit	(638,665)	(410,507)
Total Shareholders' Equity	414,085	642,243
Total Liabilities and Shareholders' Equity	$ 513,119	$ 739,168

Approved by the Board:

"Jake Kalpakian" (signed)
______________________________ Director
Jake Kalpakian

"Christopher Kape" (signed)
______________________________ Director
Christopher Kape

See accompanying notes to financial statements.

GREEN ARROW RESOURCES INC.
(formerly Bulldog Explorations Ltd.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2013	August 31, 2012	**September 30, 2013**	August 31, 2012
Expenses				
Office and administration (note 7)	$ **36,247**	$ 95,382	$ **155,993**	$ 211,652
Management fees (note 7)	**22,500**	22,500	**67,500**	30,000
Travel	**-**	25	**93**	1,575
Interest,bank charges and foreign exchange	**2,890**	103	**4,659**	710
Share-based payment	**-**	-	**-**	54,345
Interest income	**-**	-	**(87)**	(358)
Net Loss and Comprehensive Loss for Period	$ **(61,637)**	$ (118,010)	$ **(228,158)**	$ (297,924)
Loss per share, basic and diluted	$ **(0.02)**	$ (0.05)	$ **(0.09)**	$ (0.15)
Weighted Average Number of Common Shares Outstanding	**2,500,000**	2,500,000	**2,500,000**	2,025,000

GREEN ARROW RESOURCES INC.
(formerly Bulldog Explorations Ltd.)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Reserve for Options		Reserve for Warrants		Deficit		Total Equity
Balance, November 30, 2011	1,525,000	$	746,105	$	62,150	$	-	$	(146,679)	$	661,576
Shares issued	975,000		216,181		-		-		-		216,181
Warrants issued	-		-		-		36,119		-		36,119
Stock options issued	-		-		54,345		-		-		54,345
Stock options expired (Agent's)	-		-		(62,150)		-		62,150		-
Net loss for period	-		-		-		-		(297,924)		(297,924)
Balance, August 31, 2012	2,500,000	$	962,286	$	54,345	$	36,119	$	(382,453)	$	670,297

	Number of Shares		Share Capital		Reserve for Options		Reserve for Warrants		Deficit		Total Equity
Balance, December 31, 2012	2,500,000	$	962,286	$	54,345	$	36,119	$	(410,507)	$	642,243
Net loss for period	-		-		-		-		(228,158)		(228,158)
Balance, September 30, 2013	2,500,000	$	962,286	$	54,345	$	36,119	$	(638,665)	$	414,085

GREEN ARROW RESOURCES INC.
(formerly Bulldog Explorations Ltd.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2013	Nine Months Ended August 31, 2012
Operating Activities		
Cash flows from (used in) operating activities		
Net loss	$ (228,158)	$ (297,924)
Share-based payment	-	54,345
Changes in non-cash operating working capital		
Other receivables	39,924	(118,099)
Prepaids and deposits	51,643	(93,431)
Accounts payable and accrued liabilities	1,804	83,884
Cash Used in Operating Activities	(134,787)	(371,225)
Financing Activities		
Share issuance (note 8)	-	380,000
Share issuance costs	-	(50,200)
Cash Provided by Financing Activities	-	329,800
Investing Activity		
Exploration and evaluation assets (note 6)	(75)	(280,061)
Increase (Decrease) in Cash	(134,862)	(321,486)
Cash, Beginning of Period	136,848	665,727
Cash, End of Period	$ 1,986	$ 344,241
Supplemental Cash Flow Information		
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 54,144	$ -

1. NATURE OF BUSINESS

Green Arrow Resources Inc. (the “Company”) (formerly Bulldog Explorations Ltd.) was incorporated on December 21, 2007, under the provisions of the *Business Corporations Act* of the province of Alberta, Canada. On December 22, 2009, the Company completed its initial public offering of common shares and on January 11, 2010 commenced trading as a capital pool corporation, as defined in the TSX Venture Exchange (the "Exchange") Listings Policy 2.4 (the "CPC Policy"). The Company’s head office is located at Suite 300, 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1. The Company’s registrar and transfer agent is Computershare Investor Services Inc. located at 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

On April 24, 2012, the Company completed its qualifying transaction by entering into an option agreement to acquire a 60% interest in the Eagle Lake Property in Saskatchewan, as described in note 6. As a result, the Company is no longer considered a capital pool corporation. The Company is now classified as a Tier 2 mining issuer, as defined in the Exchange Policy 2.1. The principal business of the Company is exploration and development of prospective mineral properties.

On August 8, 2013, all of the issued common shares and equity instruments of the Company were consolidated on the basis of 8 pre-consolidation common shares for 1 post-consolidation common share. As a result of the consolidation, all share information in the interim financial statements has been retrospectively restated to reflect the consolidation, unless otherwise stated.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions cast substantial doubt on the validity of this assumption. The Company has incurred $228,158 in operating losses during the past nine months (operating losses during the nine months ended August 31, 2012: $297,924) and has incurred operating losses over the past two fiscal years (December 31, 2012 - $146,064 and May 31, 2012 - $220,436) and has a deficit of $638,665 as at September 30, 2013 (December 31, 2012: $410,507; May 31, 2012: $283,657), a working capital of $75,967 (December 31, 2012: $304,505; May 31, 2012 - $857,252), 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.

2. GOING CONCERN (Continued)

If the going concern assumption were not appropriate for these financial statements then adjustments would 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.

3. STATEMENT OF COMPLIANCE

a) Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Board of Directors approved the financial statements on November 4, 2013.

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements.

b) Basis of presentation

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

In October 2012, the Company received approval from securities regulators to change its financial year-end from May 31 to December 31. The change of year-end enabled the Company to align its year-end with most other companies trading on the Exchange. The comparative period in these financial statements are the nine months ended August 31, 2012.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. STATEMENT OF COMPLIANCE (Continued)

d) Use of estimates and judgments (Continued)

Significant areas requiring the use of estimates and assumptions relate to the following: the review of carrying values and determination of impairment of non-current assets, balance of accrued liabilities, provision for reclamation costs, valuation of share-based payments and recognition of deferred tax assets.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shares of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

b) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in option reserves is transferred to share capital. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Income taxes (Continued)

the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts for financial statement purposes and the tax basis for certain assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income 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 deferred tax asset will be recovered, the deferred tax asset will be reduced.

d) Flow-through shares

The Company will from time to time issue flow-through shares to finance portions of its capital expenditure program. Pursuant to terms of the flow-through share agreement, the tax deductions associated with the expenditures are renounced to the subscribers. Accordingly, the proceeds of the issuance of flow-through shares are allocated between the offering of the shares and the sale of the tax benefits. The allocation is based on the difference between the quoted price of the existing shares and the amount the subscriber pays for the flow-through shares. A liability is recognized for this difference and is subsequently reversed as the Company incurs qualifying Canadian exploration expenditures.

e) Exploration and evaluation (“E&E”) assets

E&E expenditures include the costs of acquiring licenses, costs associated with E&E activity, and the acquisition date fair value of E&E assets acquired in a business combination. E&E expenditures are capitalized as E&E assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of comprehensive loss.

Acquisition costs, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Where the Company’s exploration commitments for a mineral property are performed under option agreements with a third party, the proceeds of option payments under such agreements are applied to the mineral property to the extent costs are incurred. The excess, if any, is recorded to the statement of comprehensive loss. Provincial government mining credits received are applied against the related E&E asset.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Exploration and evaluation ("E&E") assets (Continued)

E&E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further E&E activities is neither budgeted nor planned;
- Title to the asset is compromised;

- Adverse changes in the taxation and regulatory environment; and
- Adverse changes in variation in commodity prices and markets.

Once the technical feasibility and commercial viability of the extraction of mineral resources are demonstrable, E&E assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment. To date, none of the Company's E&E assets has demonstrated technical feasibility and commercial viability. The recoverability of the carrying amount of any E&E assets is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

f) Decommissioning obligations

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date the Company does not have any decommissioning liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (Continued)

(i) Financial assets

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

(i) Financial assets (Continued)

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. The Company classifies its cash as FVTPL.

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 period-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. The Company classifies other receivables as loans and receivables.

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.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (Continued)

(ii) Financial liabilities

The Company classifies its financial liabilities as FVTPL or other financial liabilities.

Fair value through profit or loss

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Other financial liabilities

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 using the effective interest rate method. Any difference between the amounts originally received, net of transaction costs, and the redemption.

(iii) Impairment

Value is recognized in profit or loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date. The Company classifies accounts payable and accrued liabilities as other financial liabilities.

The Company assesses at each statement of financial position date whether there is objective evidence that financial assets, other than those designated as FVTPL, are impaired. When impairment has occurred, the cumulative loss is recognized in the statement of comprehensive loss. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of comprehensive loss in the period.

g) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. 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 the warrants reserve using the Black-Scholes pricing model and any residual value is allocated to share capital. Consideration received for the exercise of warrants is recorded in share capital and the related residual value is transferred to share capital. For those warrants that expire, the recorded value is transferred to deficit.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) New accounting pronouncements

All of the new and revised standards described below may be early-adopted.

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 the profit or loss.

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. This standard is only applicable if it is optionally adopted for annual periods beginning before January 1, 2015. For annual periods beginning on or after January 1, 2015, the Company must adopt IFRS 9 (2010).

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 FVTPL; 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.

This standard applies to annual periods beginning on or after January 1, 2015 and supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early-adopt IFRS 9 (2009) instead of applying this standard.

IFRS 13 Fair Value Measurement

This IFRS standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) New accounting pronouncements (Continued)

IFRS 13 Fair Value Measurement (continued)

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a "fair value hierarchy" based on the nature of the inputs:

- Level 1 – quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

This standard is applicable to annual reporting periods beginning on or after January 1, 2013.

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amends the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures* to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation.*

The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

Applicable to annual periods beginning on or after January 1, 2013 and interim periods within those periods.

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

Amends IAS 32 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.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and polices to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

b) Fair value of financial statements

The fair values of cash, other receivables, and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. The levels of the fair value hierarchy are 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.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and accounts receivable. The Company mitigates its exposure to credit loss associated with cash by placing its cash in a major financial institution. Accounts receivable are primarily from entities controlled by key management personnel. To reduce credit risk, the Company regularly reviews the collectability of accounts receivable.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they are due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2013. Amounts due to related parties included in accounts payable and accrued liabilities are due on demand.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

e) Market risk

Market risk is the risk that changes in market prices, such as interest rates, and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. As at September 30, 2013, the Company is not exposed to any significant interest rate risk, significant currency risk or significant other price risk on its financial assets and liabilities.

f) Capital management

The Company considers its capital under management to be comprised of shareholders equity. The Company's policy for managing capital is to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources available to fund the exploration of its current exploration and evaluation asset. To secure the additional capital necessary to pursue these plans, the Company may adjust spending, raise additional funds through the issuance of equity or by securing strategic partners. The Company's officers are responsible for managing the Company's capital and the Company's Board of Directors is responsible for overseeing this process.

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. In order to maintain or adjust the capital structure, the Company may adjust spending, issue new shares or incur debt. The Company monitors its working capital and expected capital spending and issues share capital to manage its development plans. The Company's ability to raise additional equity or debt financing is impacted by external conditions including the global economic downturn.

There were no changes in the Company's approach to capital management for the nine months ended September 30, 2013. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Eagle Lake Property
Balance, May 31, 2011	$ -
Acquisition costs	10,000
Expenditures during the year	
Technical reports	4,177
Drilling	4,378
Balance, May 31, 2012	18,555
Expenditures during the period	
Drilling	325,346
Balance, December 31, 2012	$ 343,901
Expenditure during the period	
Drilling	380
Balance, September 30, 2013	$ 344,281

a) Eagle Lake Property, Saskatchewan

Pursuant to the Property Option Agreement dated January 19, 2012 between Eagle Plains Resources Ltd. ("Eagle Plains") and the Company, Eagle Plains has given the Company the option to acquire a 60% interest in the Eagle Lake Property. In order to exercise the option and acquire the 60% interest in the Eagle Lake Property, the Company is required to issue an aggregate of 125,000 common shares to Eagle Plains, make staged cash payments to Eagle Plains totaling $300,000 and incur exploration expenditures on the Eagle Lake Property totaling $3,000,000, as follows:

- 25,000 common shares within five business days from the date of the Final Exchange Bulletin (issued on April 27, 2012, with a fair value of $10,000) (final Exchange approval obtained on April 24, 2012);
- an additional 25,000 common shares, $25,000 cash and $350,000 in exploration expenditures on or before the first anniversary of the Final Exchange Bulletin;
- an additional 25,000 common shares, an additional $50,000 cash and an additional $400,000 in exploration expenditures on or before the second anniversary of the Final Exchange Bulletin;
- an additional 25,000 common shares, an additional $75,000 cash and an additional $750,000 in exploration expenditures on or before the third anniversary of the Final Exchange Bulletin; and
- an additional 25,000 common shares, an additional $150,000 cash and an additional $1,500,000 in exploration expenditures on or before the fourth anniversary of the Final Exchange Bulletin.

6. **EXPLORATION AND EVALUATION ASSETS** (Continued)

a) Eagle Lake Property, Saskatchewan

If the Company exercises the option and acquires a 60% interest in the Eagle Lake Property, the parties will enter into a joint venture for further exploration and development of the Eagle Lake Property. Eagle Plains' interest in the Eagle Lake Property is subject to a 1% net smelter returns royalty granted to Donald Sawyer pursuant to the letter agreement dated November 30, 2006 between Eagle Plains and Donald Sawyer, which can be repurchased by Eagle Plains in consideration for $1,000,000.

In addition, a finder's fee of up to $67,500 is payable in respect to the Eagle Lake Property of which $34,500 has been paid to date and was included in share issuance costs as at May 31, 2012. The final amount of the finder's fee is dependent on the Company meeting its obligations covered by the exclusive option for the Eagle Lake Property.

b) Environmental

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 properties 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 properties that may result in material liability to the Company. As at September 30, 2013, the Company has no material decommissioning obligations.

c) Realization of assets

The investment in and expenditures on 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. 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 lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Title to exploration and evaluation assets

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such assets, 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.

7. RELATED PARTY TRANSACTIONS

The amounts due from (due to) related parties included in other receivables are unsecured, payable on demand without interest and consist of the following:

	September 30, 2013	August 31, 2012
Las Vegas from Home.com Entertainment Inc. ("Las Vegas")	$ 104,917	$ 34,720
High 5 Ventures Inc. ("High 5")	6,268	2,240
Big Mojo Capital Inc.	-	2,240
	$ 111,185	$ 39,200

The Company shares office space and certain expenses with Las Vegas and High 5, entities either controlled by key management personnel or having key management personnel in common. As of May 1, 2013, Las Vegas and High 5 are charged by the Company for their proportionate share of office rent.

Las Vegas charges the Company for office support services provided by Las Vegas.

Related party transactions during the period:

a) management fees of $67,500 (August 31, 2012 - $30,000) paid to three entities controlled by key management personnel;

b) Paid to/from the Company:

- The Company charged Las Vegas for rent of $65,846 (August 31, 2012 - $36,000); and
- The Company charged High 5 for rent of $11,949 (August 31, 2012 - $2,000).

The above amounts were recorded as a reduction of rent expense during the period.

- Las Vegas charged the Company for office support services of $45,000 (August 31, 2012 - $20,000) (included in office expenses); and
- Las Vegas charged the Company for other expenses paid on behalf of the Company of $726 (August 31, 2012 - $4); and

7. RELATED PARTY TRANSACTIONS (Continued)

- High 5 charged the Company for other expenses paid on behalf of the Company of $3,375 (August 31, 2012 - $nil).

8. SHARE CAPITAL, RESERVE FOR OPTIONS AND RESERVE FOR WARRANTS

a) Share capital

Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Issued and outstanding

i) There was no share issuance during the nine months ended September 30, 2013.

(ii) On January 9, 2012, the Company completed a private placement of 75,000 common shares at a price of $0.40 per share for total proceeds of $30,000.

On April 20, 2012, the Company completed a private placement of 875,000 flow-through units ("FT Unit") at a price of $0.40 per FT Unit for total proceeds of $350,000. Each FT Unit consists of one flow-through common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one non-flow-through share at a price of $0.80 per share for the first year and $1.20 per share for the second year. The fair value of these warrants was $33,675. The Company issued 31,750 finder's warrants exercisable at $0.80 per finder's warrant for the first year and $1.20 per finder's warrant for the second year. The fair value of the finder's warrants was $2,444. For this private placement the Company allocated $228,825 to share capital, $87,500 to the flow-through premium liability and $33,675 to the warrants. The Company incurred cash share issuance costs of $15,700 on this private placement.

(iii) On April 27, 2012, the Company issued 25,000 common shares valued at $10,000 to Eagle Plains in respect of the Eagle Lake property agreement (see note 6(a)).

b) Escrow

Pursuant to the Company's Qualifying Transaction, 10% of the outstanding escrow shares were released upon the issuance of the Final Exchange Bulletin (April 24, 2012); 15% of the Company's remaining escrow shares will be released from escrow every six months from the date of the Final Exchange Bulletin. As at September 30, 2013, 230,625 shares remain in escrow.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, RESERVE FOR OPTIONS AND RESERVE FOR WARRANTS (Continued)

c) Stock option plan

The Company has an incentive stock option plan (the “Plan”) that allows it to grant options to its employees, directors, consultants and management company employees. Under the terms of the Plan, the exercise price of each option will not be lower than the lowest exercise price permitted by the Exchange. The Plan allows for a maximum of 10% of outstanding shares to be issued.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or management company employee, and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

On April 24, 2012, the Company granted options for acquiring 211,250 common shares at the price of $0.80 per share to directors, officers and consultants. These options vest immediately and may be exercised during a period of five years from the date of grant.

d) Reserve for options

The following summarizes the officer, director, employee and consultant stock options that were granted, exercised, forfeited and expired during the nine months ended September 30, 2013.

	Number of Options	Amount
Balance, May 31, 2011	137,500	$ 62,150
Granted	211,250	54,345
Expired	(101,250)	(42,936)
Balance, May 31, 2012	247,500	$ 73,559
Expired	(36,250)	(19,214)
Balances, December 31, 2012 and September 30, 2013	**211,250**	**$ 54,345**

(Expressed in Canadian Dollars)

8. SHARE CAPITAL, RESERVE FOR OPTIONS AND RESERVE FOR WARRANTS (Continued)

e) Reserve for warrants

In connection with the private placement on April 20, 2012, 437,500 warrants were issued to participants and 31,750 warrants were issued as agent warrants. Each warrant and agent warrant entitles the holder to purchase one common share at an exercise price of $0.80 until April 20, 2013 and thereafter at an exercise price of $1.20 until April 20, 2014. The fair value of these warrants was estimated using the Black-Scholes option model with the following assumptions: expected dividend yield 0%, expected volatility 100%, risk-free interest rate of 0.78% and an expected life of one year. The value assigned to the warrants was $33,675 and $2,444 for agent warrants.

	Number of Warrants	Amount
Balance, May 31, 2011	-	$ -
Issued pursuant to private placement on April 20, 2012	437,500	33,675
Agent warrants	31,750	2,444
Balances, May 31, 2012, December 31, 2012 and September 30, 2013	**469,250**	**$ 36,119**

9. COMMITMENTS AND CONTINGENCIES

a) The Company together with Las Vegas and High 5 have entered into a sub-lease agreement with an arm's length party for office space which expires on July 30, 2014. Under the sub-lease agreement, the three companies are required to pay a base rent of $5,687.50 plus property and operating expenses for the leased premised.

b) The Company has entered into a consulting services agreement with BHK Management Inc., a company owned by a director of the Company, to receive consultancy services at a monthly rate of $2,500 plus applicable taxes. The agreement expires April 30, 2014 and is renewable on a yearly basis. The agreement can be terminated by either party upon giving three months' written notice.

c) The Company has entered into management services agreements with 30 Rock Management Inc. and JAMCO Capital Partners Inc., which are owned by two directors of the Company, to receive management services at a monthly rate of $2,500 plus applicable taxes payable to each company. The agreements expire April 30, 2014 and are renewable on a yearly basis. The agreements can be terminated by either party upon giving three months' written notice.

d) The Company has entered into an agreement for office support services with Las Vegas. Under the agreement, the Company is entitled to receive office support services from Las Vegas at a monthly rate of $5,000 plus applicable taxes. The agreement expires April 30, 2014. The agreement can be terminated by either party upon giving three months' written notice.

10. EVENT AFTER REPORTING PERIOD

Subsequent to the nine months period ended September 30, 2013, the Company issued a total of 700,000 units of the Company's securities at $0.05 per unit for total proceeds of $35,000 in connection with a private placement financing. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.05 per share for a period of five years. The securities issued were acquired by certain directors of the Company and by a related person. All the securities issued have a hold period expiring on February 18, 2014.