Jayden Resources Inc.

Condensed Consolidated Interim Financial Statements

Third Quarter ended September 30, 2013

(Unaudited – Prepared by Management)

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Jayden Resources Inc.
(Unaudited)
(Expressed in Canadian dollars)
Condensed Consolidated Interim Statements of Comprehensive Income

	Notes	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
		$	$	$	$
Revenue	5	-	-	-	-
Other revenue and net income	5	133	2	7,097	735
Administrative expenses	6	(200,291)	(373,524)	(1,083,204)	(1,368,137)
Other operating expenses	7	-	(6,085)	-	(6,085)
Loss before income tax		**(200,158)**	**(379,607)**	**(1,076,107)**	**(1,373,487)**
Loss for the period, attributable to the owners of the Company		**(200,158)**	**(379,607)**	**(1,076,107)**	**(1,373,487)**
Other comprehensive income, including reclassification adjustments					
Gain/(loss) on change in fair value of available-for-sale investments		(16,760)	5,279	(28,774)	(7,245)
		(16,760)	5,279	(28,774)	(7,245)
Total comprehensive income for the period, attributable to the owners of the Company		**(216,918)**	**(374,328)**	**(1,104,881)**	**(1,380,732)**
Loss per share for loss attributable to the owners of the Company					
- Basic and diluted	8	(0.0080)	(0.0015)	(0.0428)	(0.0055)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Jayden Resources Inc.
(Unaudited)
(Expressed in Canadian dollars)
Condensed Consolidated Interim Statements of Financial Position

The Group	Notes	At September 30, 2013	At December 31, 2012
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	92,069	95,054
Exploration and evaluation assets	10	15,770,950	15,975,052
Deposits		67,300	67,300
		15,930,319	16,137,406
Current assets			
Other receivables		14,820	30,510
Prepaid expenses and deposits		364,859	384,231
Amount due from a related company	12	-	257,279
Available-for-sale investments	11	(740)	28,034
Cash and cash equivalents		43,000	227,074
		421,939	927,128
Current liabilities			
Amounts due to related companies	12	33,116	14,178
Loans from a director	13	1,212,705	-
Payables and accruals		347,855	171,021
		1,593,676	185,199
Net current assets		(1,171,737)	741,929
Total assets less current liabilities		14,758,582	16,879,335
Non-current liabilities			
Loans from a director	13	-	1,015,872
Net assets		14,758,582	15,863,463
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	41,050,815	41,050,815
Reserves		(26,292,233)	(25,187,352)
Total equity		14,758,582	15,863,463

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Approved on Behalf of the Board

"Lawrence Dick" Director
Lawrence Dick

"David Eaton" Director
David Eaton

Jayden Resources Inc.
(Unaudited)
(Expressed in Canadian dollars)

Condensed Statements of Financial Position

The Company	Notes	At September 30, 2013	At December 31, 2012
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	6,225	7,673
Interest in a subsidiary		9,577,427	9,577,427
		9,583,652	9,585,100
Current assets			
Other receivables		-	10,287
Prepaid expenses and deposits		363,059	377,224
Amount due from a related company	12	-	257,279
Available-for-sale investments	11	(740)	28,034
Cash and cash equivalents		42,028	207,229
		404,347	880,053
Current liabilities			
Loan from a director	13	1,212,705	-
Payables and accruals		121,415	159,943
		1,334,120	159,943
Net current assets		(929,773)	720,110
Total assets less current liabilities		8,653,879	10,305,210
Non-current liabilities			
Loans from a director	13	-	1,015,872
Net assets		8,653,879	9,289,338
EQUITY			
Share capital	14	41,050,815	41,050,815
Reserves	15	(32,396,936)	(31,761,477)
Total equity		8,653,879	9,289,338

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Jayden Resources Inc.
(Unaudited)
(Expressed in Canadian dollars)
Condensed Consolidated Interim Statements of Changes in Equity

	Amount	Share subscription received	Share-based compensation reserve *	Fair value reserve for available-for -sale investments *	Accumulated losses *	Total
	$	$	$	$	$	$
Balances, January 1, 2012	41,050,815	-	1,634,083	(25,231)	(25,387,216)	17,272,451
Loss on change in fair value of available-for-sale investments	-	-	-	(7,245)	-	(7,245)
Share-based compensation	-	-	487,100	-	-	487,100
Lapse of share options			(46,600)		46,600	-
Loss for the period	-	-	-	-	(1,373,487)	(1,373,487)
Balances, September 30, 2012	41,050,815	-	2,074,583	(32,476)	(26,714,103)	16,378,819
Balances, January 1, 2013	41,050,815	-	2,048,233	(44,515)	(27,191,070)	15,863,463
Loss on change in fair value of available-for-sale investments	-	-	-	(28,774)	-	(28,774)
Loss for the period	-	-	-	-	(1,076,107)	(1,076,107)
Balances, September 30, 2013	41,050,815	-	2,048,233	(73,289)	(28,267,177)	14,758,582

* These reserve amounts comprise the consolidated reserves of $26,292,233 (2012: $24,671,996) in the condensed consolidated interim statements of financial position.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Jayden Resources Inc.
(Unaudited)
(Expressed in Canadian dollars)
Condensed Consolidated Interim Statements of Cash Flows

	Notes	Nine Months Ended September 30, 2013	2012
		$	$
Cash flows from operating activities			
Loss for the period before income tax		(1,076,107)	(1,373,487)
Adjustments for:			
Depreciation	9	2,985	4,644
Bank interest income		(7,097)	(735)
Impairment of property, plant and equipment		-	6,085
Share-based payments	16	-	487,100
Operating loss before working capital changes		(1,080,219)	(876,393)
Decrease in other receivables		15,690	38,471
Decrease in prepaid expenses and deposits		19,372	36,755
Decrease in amount due from a related company		257,279	-
Decrease in amount due to a director		-	-
Increase/(decrease) in amounts due to related companies		18,938	(3,703)
Decrease in payables and accruals		24,127	(18,963)
Net cash used in operating activities		(744,813)	(823,833)
Cash flows from investing activities			
Acquisition of available-for-sale investments		-	(10,000)
Acquisition of exploration and evaluation assets		(348,343)	(825,595)
British Columbia mineral exploration tax credits received	10	705,152	150,697
Interest received		7,097	735
Net cash used in investing activities		363,906	(684,163)
Cash flows from financing activities			
Proceeds from loan agreement	13	196,833	630,825
Net cash generated from financing activities		196,833	630,825
Net (decrease)/increase in cash and cash equivalents		(184,074)	(877,171)
Cash and cash equivalents at the beginning of the period		227,074	1,537,340
Cash and cash equivalents at the end of the period		43,000	660,169
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		25,750	642,919
Cashable guaranteed investment certificates		17,250	17,250
		43,000	660,169

Supplementary cash flow information (note 18)

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

1. Nature of and continuance of operations

Jayden Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia. On December 9, 2010, the Company's common shares ceased trading on the TSX Venture Exchange and began trading on the Toronto Stock Exchange ("TSE") under the symbol JDN. On August 8, 2012, the Company changed its place of jurisdiction and was registered in the Cayman Islands as an exempted company with limited liability by way of continuation. Its subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada") still remains a BC Company. The Company, together with its subsidiary (collectively referred to as the "Group"), is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Group has not generated revenues from its principal activities and is considered to be in the exploration stage.

The Group is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Group's continuing operations, and the recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The head office and principal address of the Company are located at Zephyr House, Mary Street, PO Box 709, Grand Cayman KY1-1107, Cayman Islands. The registered and records office are located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

2. Basis of Presentation

(a) Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual consolidated financial statements as at and for the year ended December 31, 2012 as filed on SEDAR at www.sedar.com. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on August 13, 2013.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for the financial instruments classified as available-for-sale investments which are stated at fair value. The measurement bases are fully described in the accounting policies.

(c) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Canadian Dollars ("CDN$"), which is the functional currency of the Company.

2. Basis of presentation (continued)

(d) Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations as of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation

The Group's management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Group intends to derive future economic benefits from the use of these assets. The Group depreciates its property, plant and equipment in accordance with the accounting policies stated in Note 3 of the most recent annual financial statement for the year ended December 31, 2012. The carrying amount of the property, plant and equipment is disclosed in Note 9 of the most recent annual financial statement for the year ended December 31, 2012.

Decommissioning and rehabilitation liabilities

Decommissioning and rehabilitation costs have been estimated based on the Group's interpretation of current regulatory requirements and have been measured at the net present value of expected future cash expenditure upon reclamation and closure. Such costs are capitalized as exploration and evaluation assets. Because the fair value measurement requires the input of subjective assumptions, including reclamation and closure costs, changes in subjective input assumptions can materially affect the fair value estimate. Based on the assessment, the Group did not have any significant decommissioning and rehabilitation liabilities at the reporting dates.

Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Recoverability of exploration and evaluation assets

When there are events or changes in the circumstances which indicate the carrying amount of the exploration and evaluation assets may not be recoverable, the Group will take into consideration of the recoverable amounts of the relevant cash generating unit ("CGU"). After taking into account the current economic environment, the management reviews the developing projects and exploration plans and confirms that there is no indicator for impairment on the exploration and evaluation assets of the Group at the reporting dates.

2. Basis of Presentation (continued)

Impairment of available-for-sale investments

For available-for-sale investments, a significant or prolonged decline in fair value below its cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; whether the declines in fair value are significant or prolonged; and the financial health of and short-term business outlook for investee, including factors such as industry performance, operational and financing cash flow.

3. Changes in accounting policies

Adoption of new or amended IFRSs

The IASB has issued a number of new and revised IASs, IFRSs, amendments and related interpretations (“IFRICs”) (hereinafter collectively referred to as the “new IFRSs”) which were relevant to the Group and became effective during the year. The adoption of the new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013. The following new standards, amendments and interpretations, that have been adopted in these interim financial statements, have had an effect on the Company’s future results and financial position:

- IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The adoption of IFRS 13 by the Company has had no material impact. The fair value of the available-for-sale investment has been determined directly by reference to published price quotations in an active market. Prior to adoption of IFRS 13 the Company measured the available for sale investment on the same basis.

- Amendment to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 revised the presentation of other comprehensive income (OCI). Separate subtotals are required for items which may subsequently be recycled through profit or loss and items that will not be recycled through profit or loss. The Company has updated the presentation of OCI on the face of the Statement of Comprehensive Income.

(Expressed in Canadian dollars)

3. Changes in accounting policies (continued)

In addition, the following new or amended standards and interpretations that are mandatory for 2013 annual periods have not had a material impact on the Company:

- IFRS 7 Financial Instruments: Disclosures: Amendments – Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 19 Employee Benefits (Amendments)
- IFRIC 20 Stripping Costs in the Production Phases of a Surface Mine

4. Segment information

The chief operating decision-maker has been identified as the Company's directors. The Group's principal activity is acquisition, exploration and development of mineral properties. The directors regard it as the single business segment and no segment information is presented. The Group did not derive any revenue from its principal activity during the years.

The geographical locations of the non-current assets are based on the physical locations of these assets. All non-current assets of the Group are located in Canada (domicile) and no geographical segment information is presented.

5. Revenue and other revenue and net income

The Group did not derive any revenue from its principal activity during the periods. Other revenue and net income recognized during the periods is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	$	$	$	$
Other revenue				
Bank interest income	133	2	7,097	735
Other income	-	-	-	-
	133	2	7,097	735
Net income				
Gain on available-for-sale investments	-	-	-	-
	-	-	-	-
	133	2	7,097	735

(Expressed in Canadian dollars)

6. Administrative expenses

The administrative expenses for the Group are broken down as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	$	$	$	$
Depreciation	995	958	2,985	4,644
Consultant fees	-	-	-	500
Corporate administration	76,651	47,455	205,476	189,629
Net foreign exchange (gain) Loss	527	1,988	4,285	4,003
Investor relations	2,171	13,897	17,495	31,857
Professional fees	26,361	192,415	505,230	276,217
Regulatory and shareholder services	19,978	14,570	70,485	53,436
Staff costs				
- Salaries and others	73,608	102,241	277,248	320,751
- Share-based payments	-	-	-	459,300
Share-based payments to consultants	-	-	-	27,800
	200,291	373,524	1,083,204	1,368,137

7. Other operating expenses

The Group had no other operation expenses for the periods ended September 30, 2013 (September 30, 2012: $6,085).

8. Loss per share

The calculation of the basic loss per share for the periods is presented based on the following data:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Loss attributable to owners of the Company ($)	(200,158)	(379,607)	(1,076,107)	(1,373,487)
Weighted average number of shares in issue during the period	25,139,630	251,396,301	25,139,630	251,396,301
Loss per share for loss attributable to owners of the Company during the period ($)	0.00	0.00	0.00	0.00

Diluted loss per share for the three and nine months ended September 30, 2013 and 2012 is same as basic loss per share as the impact of the exercise of the share options and warrants is anti-dilutive.

(Expressed in Canadian dollars)

9. Property, plant and equipment

The Group	Computer equipment	Other equipment	Software	Building	Land	Total
	$	$	$	$	$	$
Cost						
At January 1, 2012	6,652	28,396	4,145	59,100	36,138	134,431
Impairment	-	(15,799)	-	-	-	(15,799)
At December 31, 2012 and September 30, 2013	6,652	12,597	4,145	59,100	36,138	118,632
Accumulated depreciation and impairment losses						
At January 1, 2012	998	16,593	4,145	5,723	-	27,459
Charge for the period	1,696	2,003	-	2,134	-	5,833
Impairment	-	(9,714)	-	-	-	(9,714)
At December 31, 2012	2,694	8,882	4,145	7,857	-	23,578
Charge for the period	890	557	-	1,537		2,985
At September 30, 2013	3,584	9,439	4,145	9,394	-	26,563
Net book value						
At December 31, 2012	3,958	3,715	-	51,243	36,138	95,054
At September 30, 2013	3,068	3,158	-	49,706	36,138	92,069

The Company	Computer equipment	Other equipment	Software	Total
	$	$	$	$
Cost				
At December 31, 2011	6,652	28,396	4,145	39,193
Impairment	-	(15,799)	-	(15,799)
At December 31, 2012 and September 30, 2013	6,652	12,597	4,145	23,394
Accumulated depreciation and impairment losses				
At December 31, 2011	998	16,593	4,145	21,736
Charge for the period	1,696	2,003	-	3,699
Impairment	-	(9,714)	-	(9,714)
At December 31, 2012	2,694	8,882	4,145	15,721
Charge for the period	890	557	-	1,448
At September 30, 2013	3,584	9,439	4,145	17,169
Net book value				
At December 31, 2012	3,958	3,715	-	7,673
At September 30, 2013	3,068	3,158	-	6,225

(Expressed in Canadian dollars)

10. Exploration and evaluation assets

The exploration and evaluation assets of the Group and the Company are comprised as follows:

Mineral Properties Canada	The Group
	$
At December 31, 2011	15,248,346
Additions	877,403
British Columbia mineral exploration tax credit	(150,697)
At December 31, 2012	15,975,052
Additions	501,050
British Columbia mineral exploration tax credit	(705,152)
At September 30, 2013	15,770,950

Canada	Silver Coin and Kansas	Other	Total
	$	$	$
At December 31, 2011	15,225,945	22,401	15,248,346
Surveying, geological, geochemical and geophysical	363,336	-	363,336
Exploratory drilling	2,160	-	2,160
Land maintenance	3,865	-	3,865
Sampling	623	-	623
Assessing technical feasibility and commercial viability	507,419	-	507,419
British Columbia mineral exploration tax credit	(150,697)	-	(150,697)
At December 31, 2012	15,952,651	22,401	15,975,052
Surveying, geological, geochemical and geophysical	277,924	-	277,924
Land maintenance	2,864	-	2,864
Assessing technical feasibility and commercial viability	220,262	-	220,262
British Columbia mineral exploration tax credit	(705,152)	-	(705,152)
At September 30, 2013	15,748,549	22,401	15,770,950

(a) Silver Coin Property

In 2004, the Company entered into an option agreement with Mountain Boy Minerals Ltd. (“Mountain Boy”) whereby the Company can acquire a 51% interest in Mountain Boy’s 100% owned Silver Coin and 55% owned Dauntless projects as well as the 100% owned FR claims (collectively, the “Silver Coin Property”) by spending $1.75 million on exploration on the Silver Coin Property over a three year period (incurred). In 2006, the Company earned a 51% interest in the Silver Coin Property.

10. Exploration and evaluation assets (continued)

In July 2009, the Company entered into an agreement with Mountain Boy to increase its ownership in the Silver Coin Property to 70% and to purchase land and buildings in Stewart, BC in return for a payment of $440,000 (paid) of which $340,000 was allocated to the Silver Coin property and $100,000 to land and buildings inclusive of goods and services tax. The Company can further increase its ownership to 80% after spending $4,000,000 on exploration and development expenditures on any or all of the Silver Coin Property and Kansas Property by July 2014. The agreement gives the Company the exclusive right to manage the project through feasibility and also to negotiate on behalf of both parties the sale of the Silver Coin Property and Kansas Property.

In September 2011, pursuant to this agreement the Company increased its ownership to 80% after spending $4,000,000 on exploration and development expenditures on all of the Silver Coin Property and Kansas Property.

In September 2011, the Company entered into an asset purchase agreement with Nanika Resources Inc. (“Nanika”) to acquire Nanika’s 45% interest in mineral claims INDI 9-12 (collectively, the “INDI Claims”) which are adjacent to and form part of the Company’s Silver Coin Project. The consideration has been mutually agreed between the Company and Nanika, an independent third party, with reference to the market value of similar assets. The Company paid $250,000 and issued 350,000 common shares of the Company, at a value of $49,000, to complete the agreement. Legal costs of $4,145 were incurred in the transaction. Nanika retains a 2% net smelter returns royalty on the INDI Claims which at any time the Company can buy-back for $1,000,000 per each 1%.

In March 2012, the Company entered into an options agreement to acquire 100% interest in two mineral claims by paying $60,000 by December 31, 2012. On December 12, 2012 the agreement’s term was extended to June 30, 2013. The Company did not renew the agreement after the term ended on June 30, 2013.

(b) Kansas Property

In 2004, the Company entered into an option agreement with Tenajon Resources Corp. (“Tenajon”) whereby the Company earned a 60% interest in Tenajon’s 100% owned Kansas Property by making a cash payment of $50,000 ($25,500 paid by the Company and $24,500 paid by the joint venture partner Mountain Boy) on signing, issuing 77,000 common shares and spending $1.0 million on exploration and development.

The Kansas Property adjoins the Silver Coin Property. The expenditures incurred on the Kansas Property are included in the Silver Coin Property expenditures and are eligible for the expenditures required for the Silver Coin Property. Pursuant to an option agreement entered into with Mountain Boy in 2004, Mountain Boy will be participating in the Kansas Property and earned a 49% interest in the Company’s 60% interest by making a cash payment of $24,500 upon the signing of the agreement and issuing to the Company 98,000 shares of Mountain Boy. If the Company elects to put the Kansas Property or any adjoining property into production, Mountain Boy would be reduced to owning 40% of the Company’s interest.

In April 2008, the Company entered into a binding letter agreement whereby the Company purchased Tenajon’s wholly owned subsidiary, 0781639 B.C. Ltd. which holds an undivided 40% ownership in the Kansas Property and a 100% ownership interest in the Summit Lake property (which the Company disposed of in 2009). Since 0781639 B.C. Ltd.’s only asset was mineral properties, it was not considered a business and the transaction was accounted for as an asset acquisition.

(Expressed in Canadian dollars)

10. Exploration and evaluation assets (continued)

On closing the agreement, the Company issued to Tenajon 13,500,000 common shares at a value of $2,430,000 and incurred related costs totalling $165,000. The Company also issued 187,500 units with a value of $37,500 in relation to this acquisition.

The July 2009 agreement with Mountain Boy set the Company interest in the Kansas Property at 70% with Mountain Boy having the remaining 30%. The Company further increased its ownership to 80% after spending $4,000,000 on exploration and development expenditures on the Silver Coin and Kansas properties.

11. Available-for-sale investments

The Group and the Company

	Shares	Cost	Fair Value
		$	$
September 30, 2013			
Mountain Boy Minerals Ltd.	300,975	140,844	3,010
Great Bear Resources Ltd.	50,000	57,500	(3,750)
		198,344	(740)
December 31, 2012			
Mountain Boy Minerals Ltd.	300,975	140,844	10,534
Great Bear Resources Ltd.	500,000	57,500	17,500
		198,344	28,034
December 31, 2011			
Mountain Boy Minerals Ltd.	300,975	140,844	21,068
Great Bear Resources Ltd.	250,000	47,500	16,250
		188,344	37,318

The fair values of the above investments have been determined by reference to their quoted bid prices at the respective reporting dates.

(Expressed in Canadian dollars)

12. Amounts due to related companies/a director

The Group	Notes	As at At September 30, 2013	At December 31, 2012
		$	$
Amount due from a related company			
- Baron Capital Limited	(1)	-	257,279
Amounts due to related companies/ directors			
- Robert Perry Consulting LLC	(2)	-	14,156
- Baron Global Financial Canada Ltd.	(3)	22,616	22
- TransMax Investing	(4)	10,500	-

The Company		At September 30, 2013	At December 31, 2012
		$	$
Amount due from a related company			
- Baron Capital Limited	(1)	-	257,279

The amounts due to related companies/ a director are unsecured, interest free and repayable on demand.

(1) A director of Baron Capital Limited (“BCL”) is a close family member of Ms. Letty Wan, a director of the Company.
(2) Robert Perry Consulting LLC, a private company controlled by Robert Perry, a director of the Company.
(3) Mr. David Arthur Eaton, director of the Company, is the Chairman of Baron Global Financial Canada Ltd.
(4) Mr. David Arthur Eaton, director of the Company, is the owner of TransMax Investing.

13. Loans from a director

Pursuant to a loan agreement dated September 10, 2012, as amended, a loan was made to the Company by Letty Wan, the Chief Executive Officer and a director of the Company in the amount of $1,015,872. As at December 31, 2012, the amounts due are interest free, unsecured and repayable in 2014. Pursuant to a credit facility letter agreement dated March 22, 2013, as amended, a further loan was made to the Company by Letty Wan in the amount of $196,833. The aggregate loan outstanding is in the amount of $1,212,705. As at September 30, 2013, the amounts due are interest free, unsecured and repayable on July 1, 2014 and on the earlier of (i) October 26, 2014, respectively, or (ii) the successful completion of a public financing.

(Expressed in Canadian dollars)

14. Share capital

	Note	Common shares Number of shares	Amount
			$
Authorized:			
At December 31, 2012 and March 31, 2012		5,000,000,000 shares with no par value	
At January 1, 2012, December 31, 2012 and September 30, 2013		251,396,301	41,050,815
At September 30, 2013		25,139,630	41,050,815

On 8 August 2012, the Company changed its place of jurisdiction and was registered as an exempted company with limited liability by way of continuation in the Cayman Islands. Concurrent with the continuation in the Cayman Islands and in accordance with the Articles, the authorized share capital of the Company was concurrently changed to 5,000,000,000 shares without par value, with an aggregate consideration for which such shares may be issued of C$10,000,000,000.

On August 1, 2013, the Company consolidated shares of the Company on the basis of one (1) post-consolidated common share for every ten (10) pre-consolidated common share held.

15. Reserves

The Group

Details of the Group's reserves are set out in the consolidated statements of changes in equity.

The Company	Share-based compensation reserve	Fair value reserve for available-for -sale investments	Accumulated losses	Total
	$	$	$	$
At December 31, 2011	1,634,083	(25,231)	(31,486,248)	(29,877,396)
Share-based payments	487,100	-	-	487,100
Lapse of share options	(72,950)		72,950	-
Transactions with owners	414,150	-	72,950	487,100
Loss for the year	-	-	(2,351,897)	(2,351,897)
Other comprehensive income				
Loss on change in fair value of available-for-sale investments	-	(19,284)	-	(19,284)
Total comprehensive income for the year	-	(19,284)	(2,351,897)	(2,371,181)
At December 31, 2012	2,048,233	(44,515)	(33,765,195)	(31,761,477)
Loss on change in fair value of available-for-sale investments	-	(28,774)	-	(28,774)
Loss for the period	-	-	(606,685)	(606,685)
At September 30, 2013	2,048,233	(73,289)	(34,371,880)	(32,396,936)

(Expressed in Canadian dollars)

16. Share-based payments

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSE policies.

Share options and weighted average exercise price for the respective years are as follows:

	Nine Months Ended September 30, 2013		Year ended December 31, 2012	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Options outstanding, beginning of period	17,520,000	0.19	12,755,000	0.20
Granted	-	-	5,250,000	0.15
Expired	(20,000)	0.20	(85,000)	0.40
Forfeited	-	-	(400,000)	0.20
Options outstanding pre-consolidation	17,500,000	0.19	17,520,000	0.19
Options exercisable post-consolidation	1,750,000	1.85	17,520,000	0.19

The following table summarizes information about stock options outstanding and exercisable:

At September 30, 2013:

Options outstanding			Options exercisable	
Number outstanding	Expiry date	Exercise price	Number exercisable	Exercise price
		$		$
1,225,000	June 2, 2015	2.00	1,225,000	2.00
525,000	January 6, 2017	1.50	525,000	1.50
1,750,000		1.85	1,750,000	1.85

(Expressed in Canadian dollars)

16. Share-based payments (continued)

At December 31, 2012:

Options outstanding			Options exercisable	
Number outstanding	Expiry date	Exercise price	Number exercisable	Exercise price
		$		$
20,000	April 3, 2013	0.20	20,000	0.20
12,250,000	June 2, 2015	0.20	12,250,000	0.20
5,250,000	January 6, 2017	0.15	5,250,000	0.15
17,520,000		0.19	17,520,000	0.19

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the option other than by issuing the Company's shares.

No options were exercised during the period ended September 30, 2013 and the year ended December 31, 2012. The weighted average remaining contractual life of the stock options outstanding at September, 2013 is 2.15 years (December 31, 2012: 2.89 years). During the nine months ended September 30, 3013, 20,000 options expired unexercised.

During the nine months ended September 30, 2013 and 2012, the Company recognized $nil and $487,100 respectively of share-based payments for share options granted. The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following assumptions:

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Date of grant	-	January 6, 2012
Share price at grant date	-	$0.12
Risk free interest rate	-	1.26%
Expected life in years	-	5
Expected volatility	-	112%
Expected dividend per share	-	Nil
Fair value at grant date	-	$0.12
Exercise price at grant date	-	$0.15

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the fair value estimate, and therefore, in the opinion of the management, the existing models do not necessarily provide a realistic measure of fair value of the Company's stock options and warrants at the date of the grant or thereafter.

At September 30, 2013 and December 31, 2012 there are no full share equivalent warrants outstanding.

(Expressed in Canadian dollars)

17. Related party transactions

(a) Related party expenses

In addition to the transactions and balances disclosed in Note 12 and elsewhere in these financial statements, the Group entered into the following material related party transactions during the following periods.

Services provided for the nine months ended September 30, 2013	Management services	Consulting and advisory services	Rent and office expenses
	$	$	$
Baron Global Financial Canada Ltd. (1)	58,500	-	31,500
Baron Capital Ltd. (2)	-	335,000	-

Services provided for the year ended December 31, 2012	Management services	Consulting and advisory services	Rent and office expenses
	$	$	$
Baron Global Financial Canada Ltd. (1)	78,000	-	42,000

(1) Mr. Herrick Lau Mong Tak and Mr. David Arthur Eaton, officer and director of the Company, are the managing director and chairman of Baron Global Financial Canada Ltd, respectively.

(2) During the period ended September 30, 2013, the Company incurred related party expenses of $335,000 which were payable to BCL HK which Ms. Letty Wan Ho Yan, the CEO and a director of the Company, has indirect controlling equity interest in BCL HK. The $335,000 was a termination payment to BCL for financial advisory fee in relation to listing application.

(b) Compensation of key management personnel

Key management personnel are the directors of the Company whose compensations included in staff costs comprised the following:

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
	$	$
Employees' remuneration summary		
Salaries and others	194,549	207,754
Director's fees	-	69,360
Share-based payments	-	357,206
	194,549	634,320

(c) During the year ended December 31, 2012, Letty Wan, an executive director of the Company, has provided a credit facility of up to approximately $1,283,000 to the Group to support the funding of the Group. Any drawdown would be non-interest bearing and none of the Group’s assets are pledged as security. The facility will be available until December 31, 2013.

(Expressed in Canadian dollars)

18. Supplementary cash flow information

	Nine Months Ended September 30, 2013	2012
	$	$
Non-cash investing activities		
Disposal of exploration and evaluation assets in exchange for available-for-sale investments	-	10,000
Change in mineral property expenditures included in accounts payable	151,646	85,399

19. Financial instruments

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Group has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Group is exposed to are described below.

(i) Currency risk

Some of the operating expenses and cash held are denominated in foreign currencies and as such are subject to currency risk. The Group does not enter into derivative financial instruments to mitigate this risk but the Group does not believe its net exposure to foreign exchange risk is significant.

The following table details the Group's sensitivity to a 10% increase or decrease in the Canadian dollar against the foreign currency denominated monetary items above. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 10% change in foreign currency rates. A positive number indicates a decrease in loss for the year where the foreign currencies strengthen against the Canadian dollar. The opposite number will result if the foreign currencies depreciated against the Canadian dollar.

	Nine months ended September 30, 2013		Year ended December 31, 2012	
	USD	Other	USD	Other
	$	$	$	$
Effect on loss after tax for the year and retained profits				
- The Group	2,249	552	(178)	(28,158)

19. Financial instruments (continued)

(ii) Credit risk

The Group's cash is held in authorized Canadian financial institutions. The Group does not have any asset-backed commercial paper. Management believes that the credit risk concentration with respect to its financial instruments is minimal.

The Group adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. Loans and financial guarantees to individuals on non-Group entities have to be approved by the board of directors. The board monitors the Group's overall investment position and exposure on a day to day basis.

The credit and investment policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has interest-bearing assets in relation to cash at banks and GICs carried at floating interest rates with reference to the market and non-interest bearing director's loans. The Group's operating cash flows are substantially independent of changes in market interest rates. The Group has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Group is considered minimal. The Group has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

(iv) Liquidity risk

The Group's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Group manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risk.

The following tables detail the remaining contractual maturities at the respective reporting dates of the Group's and Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay:

(Expressed in Canadian dollars)

19. Financial instruments (continued)

The Group	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	One to two years
	$	$	$	$
At September 30, 2013				
Payables and accruals	347,453	347,453	347,453	-
Amounts due to related companies	33,116	33,116	33,116	-
Loans from a director	1,212,705	1,212,705	1,212,705	-
	1,593,274	1,593,274	1,593,274	-
At December 31, 2012				
Payables and accruals	171,021	171,021	171,021	-
Amounts due to related companies	14,178	14,178	14,178	-
Loans from a director	1,015,872	1,015,872	-	1,015,872
	1,201,071	1,201,071	185,199	1,015,872

(v) Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to change in market prices of listed equity in respect of its investments classified as available-for-sale investments (Note 11).

The policies to manage other price risk have been followed by the Group since prior years and are considered to be effective.

(vi) Fair value measurements recognized in the consolidated statements of financial position

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the consolidated statements of financial position are grouped into the fair value hierarchy as follows:

19. Financial instruments (continued)

	At September 30, 2013			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets:				
Available-for-sale investments				
- listed equity securities, at fair value	(740)	-	-	(740)
	(740)	-	-	(740)

	At December 31, 2012			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets:				
Available-for-sale investments				
- listed equity securities, at fair value	28,034	-	-	28,034
	28,034	-	-	28,034

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods. The listed equity securities are denominated in Canadian dollars. Fair values have been determined by reference to their quoted bid prices at the reporting dates.

(vii) Categories of financial assets and liabilities

The carrying amounts of the Group's and the Company's financial assets and liabilities as presented in the statements of financial position are as follows:

	At September 30, 2013	At December 31, 2012
	$	$
Financial assets		
Available-for-sale investments	(740)	28,034
Loans and receivables		
- Amount due from a related company	-	257,279
- Cash and cash equivalents	43,000	227,074
	42,260	512,387
Financial liabilities		
At amortized costs		
- Payables and accruals	(347,855)	(171,021)
- Amount due to related companies	(33,116)	(14,178)
- Loans from a director	(1,212,705)	(1,015,872)
	(1,593,676)	(1,201,071)

20. Subsequent events

Subsequent to the reporting date, Mak Kwok Yum, one of the major shareholders of the Company, has provided a credit facility of up to HK$10,000,000 (equivalent to CAD $1,326,180) to the Company to support the funding of the Company. Any drawdown would be non-interest bearing and none of the Company's assets would be pledged as security. The facility will be available until December 31, 2014. On October 28, 2013, the draw down amount is HK$1,500,000 (equivalent to CAD $198,927). The amount is repayable on the earlier of (i) October 27, 2014, respectively, or (ii) the successful completion of a public financing.

On October 23, 2013, the Company filed a short form prospectus with all the securities commissions in Canada related to Rights Offering that will raise $2,513,964. The Company granted shareholders of record at November 8, 2013, rights to purchase additional shares. The Company issued one right for each share held on the record date. One right entitles the holder to buy one share for 10 cents. The rights will expire at 2 p.m. (Vancouver time) on December 6, 2013. Net proceeds from the Rights Offering are planned to repay a loan to a director, for a phase 1 work program on the Silver Coin property, and for administrative expenses and working capital for the next 12 months.