Jayden Resources Inc.

Condensed Consolidated Interim Financial Statements

Second Quarter ended June 30, 2013

(Unaudited – Prepared by Management)

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Contents

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

	Notes	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
		$	$	$	$
Revenue	5	-	-	-	-
Other revenue and net income	5	167	189	6,964	733
Administrative expenses	6	(552,299)	(238,068)	(778,852)	(994,613)
Other operating expenses	7	-	-	-	-
Loss before income tax		**(552,132)**	**(237,879)**	**(771,888)**	**(993,880)**
Loss for the period, attributable to the owners of the Company		**(552,132)**	**(237,879)**	**(771,888)**	**(993,880)**
Other comprehensive income, including reclassification adjustments					
Gain/(loss) on change in fair value of available-for-sale investments		(12,015)	(22,294)	(12,015)	(12,524)
		(12,015)	(22,294)	(12,015)	(12,524)
Total comprehensive income for the period, attributable to the owners of the Company		**(564,147)**	**(260,173)**	**(783,903)**	**(1,006,404)**
Loss per share for loss attributable to the owners of the Company					
- Basic and diluted	8	(0.0022)	(0.0009)	(0.0031)	(0.0040)

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 June 30, 2013	At December 31, 2012
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	93,064	95,054
Exploration and evaluation assets	10	15,580,139	15,975,052
Deposits		67,300	67,300
		15,740,503	16,137,406
Current assets			
Other receivables		8,576	30,510
Prepaid expenses and deposits		371,063	384,231
Amount due from a related company	12	104,061	257,279
Available-for-sale investments	11	16,019	28,034
Cash and cash equivalents		156,512	227,074
		656,231	927,128
Current liabilities			
Amounts due to related companies	12	152	14,178
Payables and accruals		104,317	171,021
		104,469	185,199
Net current assets		551,762	741,929
Total assets less current liabilities		16,292,265	16,879,335
Non-current liabilities			
Loans from a director	13	1,212,705	1,015,872
Net assets		15,079,560	15,863,463
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	41,050,815	41,050,815
Reserves		(25,971,255)	(25,187,352)
Total equity		15,079,560	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 June 30, 2013	At December 31, 2012
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	6,708	7,673
Interest in a subsidiary		9,577,427	9,577,427
		9,584,135	9,585,100
Current assets			
Other receivables		-	10,287
Prepaid expenses and deposits		362,258	377,224
Amount due from a related company	12	104,061	257,279
Available-for-sale investments	11	16,019	28,034
Cash and cash equivalents		60,042	207,229
		542,380	880,053
Current liabilities			
Payables and accruals		85,016	159,943
		85,016	159,943
Net current assets		457,364	720,110
Total assets less current liabilities		10,041,499	10,305,210
Non-current liabilities			
Loans from a director	13	1,212,705	1,015,872
Net assets		8,828,794	9,289,338
EQUITY			
Share capital	14	41,050,815	41,050,815
Reserves	15	(32,222,021)	(31,761,477)
Total equity		8,828,794	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	-	-	-	(12,524)	-	(12,524)
Share-based compensation	-	-	487,100	-	-	487,100
Loss for the period	-	-	-	-	(993,880)	(993,880)
Balances, June 30, 2012	41,050,815	-	2,121,183	(37,755)	(26,381,096)	16,753,147
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	-	-	-	(12,015)	-	(12,015)
Loss for the period	-	-	-	-	(771,888)	(771,888)
Balances, June 30, 2013	41,050,815	-	2,048,233	(56,530)	(27,962,958)	15,079,560

* These reserve amounts comprise the consolidated reserves of $25,971,255 (2012: $24,297,668) 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	Six Months Ended June 30, 2013	2012
		$	$
Cash flows from operating activities			
Loss for the period before income tax		(771,888)	(993,880)
Adjustments for:			
Depreciation	9	1,990	3,686
Bank interest income		(6,964)	(733)
Share-based payments	16	-	487,100
Operating loss before working capital changes		(776,862)	(503,827)
Decrease in other receivables		21,934	28,799
Decrease in prepaid expenses and deposits		13,168	42,133
Decrease in amount due from a related company		153,218	-
Decrease in amount due to a director		-	762
Increase/(decrease) in amounts due to related companies		(14,026)	160
Decrease in payables and accruals		(64,093)	(42,070)
Net cash used in operating activities		(666,661)	(474,043)
Cash flows from investing activities			
Acquisition of exploration and evaluation assets		(312,850)	(507,123)
British Columbia mineral exploration tax credits received	10	705,152	-
Interest received		6,964	733
Net cash used in investing activities		399,266	(506,390)
Cash flows from financing activities			
Proceeds from loan agreement	13	196,833	-
Net cash generated from financing activities		196,833	-
Net (decrease)/increase in cash and cash equivalents		(70,562)	(980,433)
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		156,512	556,907
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		139,262	539,657
Cashable guaranteed investment certificates		17,250	17,250
		156,512	556,907

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 June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	$	$	$	$
Other revenue				
Bank interest income	167	189	6,964	733
Other income	-	-	-	-
	167	189	6,964	733
Net income				
Gain on available-for-sale investments	-	-	-	-
	-	-	-	-
	167	189	6,964	733

(Expressed in Canadian dollars)

6. Administrative expenses

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	$	$	$	$
Depreciation	995	958	1,990	3,686
Consultant fees	-	-	-	500
Corporate administration	68,876	67,116	128,824	142,174
Net foreign exchange (gain) Loss	6,879	(3,375)	2,926	2,015
Investor relations	144	-	15,324	17,960
Professional fees	375,641	65,693	375,641	83,802
Regulatory and shareholder services	10,908	3,894	50,507	38,866
Staff costs				
- Salaries and others	88,856	103,782	203,640	218,510
- Share-based payments	-	-	-	394,400
Share-based payments to consultants	-	-	-	92,700
	552,299	238,068	778,852	994,613

7. Other operating expenses

The Group had no other operation expenses for the periods ended June 30, 2013 and 2012.

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 June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Loss attributable to owners of the Company ($)	(552,132)	(237,879)	(771,888)	(993,880)
Weighted average number of shares in issue during the period	251,396,301	251,396,301	251,396,301	251,396,301
Loss per share for loss attributable to owners of the Company during the period ($)	(0.0022)	(0.0009)	(0.0031)	(0.0040)

Diluted loss per share for the three and six months ended June 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 June 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	594	372	-	1,024		1,990
At June 30, 2013	3,288	9,254	4,145	8,881	-	25,568
Net book value						
At December 31, 2012	3,958	3,715	-	51,243	36,138	95,054
At June 30, 2013	3,364	3,343	-	50,219	36,138	93,064

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 June 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	594	371	-	965
At June 30, 2013	3,288	9,253	4,145	16,686
Net book value				
At December 31, 2012	3,958	3,715	-	7,673
At June 30, 2013	3,364	3,344	-	6,708

(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	310,239
British Columbia mineral exploration tax credit	(705,152)
At June 30, 2013	15,580,139

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	171,473	-	171,473
Land maintenance	1,264	-	1,264
Assessing technical feasibility and commercial viability	137,502	-	137,502
British Columbia mineral exploration tax credit	(705,152)	-	(705,152)
At June 30, 2013	15,557,738	22,401	15,580,139

(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. After the period ended June 30, 2013, the Company did not renew the agreement.

(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
		$	$
June 30, 2013			
Mountain Boy Minerals Ltd.	300,975	140,844	6,019
Great Bear Resources Ltd.	500,000	57,500	10,000
		198,344	16,019
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

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

12. Amounts due to related companies/a director

The Group	Notes	As at At June 30, 2013	At December 31, 2012
		$	$
Amount due from a related company			
- Baron Capital Limited	(1)	104,061	257,279
Amounts due to related companies/ directors			
- Robert Perry Consulting LLC	(2)	-	14,156
- Baron Global Financial Canada Ltd.	(3)	152	22

The Company		At June 30, 2013	At December 31, 2012
		$	$
Amount due from a related company			
- Baron Capital Limited	(1)	104,061	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 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.

(Expressed in Canadian dollars)

13. Loans from a director

As at June 30, 2013 and December 31, 2012, the amounts due are unsecured, interest-free and repayable in 2014.

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 June 30, 2013		251,396,301	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.

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	-	(12,015)	-	(12,015)
Loss for the period	-	-	(448,529)	(448,529)
At June 30, 2013	2,048,233	(56,530)	(34,213,724)	(32,222,021)

(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:

	Six Months Ended June 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, end of period	17,500,000	0.19	17,520,000	0.19
Options exercisable, end of period	17,500,000	0.19	17,520,000	0.19

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

At June 30, 2013:

Options outstanding			Options exercisable	
Number outstanding	Expiry date	Exercise price	Number exercisable	Exercise price
		$		$
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
17,500,000		0.19	17,500,000	0.19

(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 June 30, 2013 and the year ended December 31, 2012. The weighted average remaining contractual life of the stock options outstanding at June 30, 2013 is 2.40 years (December 31, 2012: 2.89 years). During the six months ended June 30, 3013, 20,000 options expired unexercised.

During the six months ended June 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:

	Six Months Ended June 30,	
	2013	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 June 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 six months ended June 30, 2013	Management services	Consulting and advisory services	Rent and office expenses
	$	$	$
Baron Global Financial Canada Ltd. (1)	39,000	-	21,000

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.

(b) Compensation of key management personnel

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

	Six Months Ended June 30,	
	2013	2012
	$	$
Employees' remuneration summary		
Salaries and others	164,174	139,190
Director's fees	-	46,271
Share-based payments	-	357,280
	164,174	542,741

(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.

18. Supplementary cash flow information

	Six Months Ended June 30,	
	2013	2012
	$	$
Non-cash investing activities		
Change in mineral property expenditures included in accounts payable	(2,611)	66,671