Jayden Resources Inc.

Condensed Consolidated Interim Financial Statements

Third Quarter ended Sept 30, 2014

(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 2014	2013	Nine Months Ended Sep 30 2014	2013
		$	$	$	$
Revenue					
Other revenue and net income	5	659	133	921	7,097
Administrative expenses	6	(93,486)	(200,291)	(563,209)	(1,083,204)
Loss for the period, attributable to owners of the Company		**(92,827)**	**(200,158)**	**(562,288)**	**(1,076,107)**
Other comprehensive income, including reclassification adjustments					
Gain/(Loss) on change in fair value of available-for-sale investments		3,431	(16,760)	(1,560)	(28,774)
Total comprehensive income for the period, attributable to owners of the Company		**(89,396)**	**(216,918)**	**(563,848)**	**(1,104,881)**
Loss per share attributable to owners of the Company					
- Basic and diluted (Canadian cents)	8	(0.17)	(0.08)	(1.00)	(0.43)

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, 2014	At December 31, 2013
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	88,611	91,074
Exploration and evaluation assets	10	16,064,952	15,958,207
Deposits		67,300	67,300
		16,220,863	16,116,581
Current assets			
Other receivables		1,996	29,005
Prepaid expenses and deposits		9,382	18,906
Available-for-sale investments	11	6,887	18,010
Cash and cash equivalents		79,849	241,500
		98,114	307,421
Current liabilities			
Amounts due to related companies	12	15,990	-
Payables and accruals		42,773	267,559
		58,763	267,559
Net current assets		39,351	39,862
Total assets less current liabilities		16,260,214	16,156,443
Net assets		16,260,214	16,156,443
EQUITY			
Equity attributable to owners of the Group			
Share capital	14	43,974,798	43,422,881
Reserves		(27,714,584)	(27,266,438)
Total equity		16,260,214	16,156,443

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

"Letty Wan" Director
Letty Wan

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

Condensed Interim Statements of Financial Position

The Company	Notes	At September 30, 2014	At December 31, 2013
		$	$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	4,741	5,743
Interest in a subsidiary		9,577,427	9,577,427
		9,582,168	9,583,170
Current assets			
Other receivables		463	-
Prepaid expenses and deposits		8,338	7,407
Available-for-sale investments	11	6,887	18,010
Cash and cash equivalents		65,057	237,113
		80,745	262,530
Current liabilities			
Payables and accruals		32,504	114,277
		32,504	114,277
Net current assets		48,241	148,253
Total assets less current liabilities		9,630,409	9,731,423
Net assets		9,630,409	9,731,423
EQUITY			
Share capital	14	43,974,798	43,422,881
Reserves	15	(34,344,389)	(33,691,458)
Total equity		9,630,409	9,731,423

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

	Number of issued shares	Share capital	Share-based payments reserve (*)	Fair value reserve for available-for-sale investments (*)	Accumulated losses (*)	Total
		$	$	$	$	$
Balances, January 1, 2013	25,396,301	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	25,396,301	41,050,815	2,048,233	(73,289)	(28,267,177)	14,758,582
Balances, January 1, 2014	50,279,282	43,422,881	2,048,233	(54,539)	(29,260,132)	16,156,443
Private Placement	5,700,000	570,000	-	-	-	570,000
Share Issuance Cost	-	(18,083)	-	-	-	(18,083)
Share-based payments	-	-	125,100	-	-	125,100
Loss on change in fair value of available-for-sale investments	-	-	-	(9,398)	-	(9,398)
Loss for the period	-	-	-	-	(563,848)	(563,848)
Balances, September 30, 2014	55,979,282	43,974,798	2,173,333	(63,937)	(29,823,980)	16,260,214

* These reserve amounts comprise the consolidated reserves of $27,714,584 (2013: $26,292,233) 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 Sep 30, 2014	2013
		$	$
Cash flows from operating activities			
Loss for the period before income tax		(562,288)	(1,076,107)
Adjustments for:			
Depreciation	9	2,463	2,985
Bank interest income		(921)	(7,097)
Share-based payments	16	125,100	-
Operating loss before working capital changes		(435,646)	(1,080,219)
Decrease in other receivables		27,008	15,690
Decrease in prepaid expenses and deposits		9,525	19,372
Decrease in amount due from a related company		-	257,279
Increase/(decrease) in amounts due to related companies		15,990	18,938
Decrease in payables and accruals		(124,051)	24,127
Net cash used in operating activities		(507,174)	(744,813)
Cash flows from investing activities			
Acquisition of exploration and evaluation assets		(207,315)	(348,343)
British Columbia mineral exploration tax credits received		-	705,152
Interest received		921	7,097
Net cash used in investing activities		(206,394)	363,906
Cash flows from financing activities			
Share issuance cost		(18,083)	-
Proceeds from private placement		570,000	-
Proceeds from loan agreement		-	196,833
Net cash generated from financing activities		551,917	196,833
Net (decrease)/increase in cash and cash equivalents		(161,651)	(184,074)
Cash and cash equivalents at the beginning of the period		241,500	227,074
Cash and cash equivalents at the end of the period		79,849	43,000
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		62,599	25,750
Cashable guaranteed investment certificates		17,250	17,250
		79,849	43,000

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

(a) Nature 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 head office and principal address of the Group 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.

(b) Share consolidation

On August 1, 2013, the Company effected a consolidation of its issued and outstanding common shares on a ten-to-one basis (the “Share Consolidation”). The Share Consolidation affected all shareholders, optionholders and warrantholders uniformly and thus did not materially affect any securityholder’s percentage of ownership interest. All references in these consolidated financial statements to common shares, options and share purchase warrants have been retroactively adjusted to reflect the Share Consolidation.

(c) Going concern

The Group has not generated any revenues had has incurred accumulated losses of $29,823,980 (December 31, 2013: $29,260,132) since inception. These consolidated financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assumes that the Group 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 operation.

The application of the going concern concept is depend upon the Group’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 interest. 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 Group 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. These matters and conditions, primarily as a result of the conditions described above, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as going concern.

1. Nature of and continuance of operations (continued)

The Group is not expected to be profitable during the twelve months and therefore must rely on securing additional funds from either debt or equity financings for cash consideration. During the period ended Sept 30, 2014, the Group received net cash proceeds of $570,000 pursuant a non-brokered private placement (refer to Note 14). 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. While the Group is expanding its best efforts to achieve the above plan, there is no assurance that any such activity will generate sufficient funds for future operations.

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, 2013 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 Nov 7, 2014.

(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.

(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:

2. Basis of presentation (continued)

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. The carrying amount of the property, plant and equipment is disclosed in Note 9.

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.

Going concern

Management has applied judgments in the assessment of the Group's ability to continue as a going concern when preparing its consolidated interim financial statements for the period ended June 30, 2014. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there are significant doubt as to the ability of the Group to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

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, 2014. 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.

- Accounting standards issued but not yet effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Group has not yet assessed the impacts of the standards or determined whether it will adopt the standards early.

3. Significant accounting policies (continued)

- IFRS 2 Share-based payment

The amendments to IFRS 2, issued in December 2013 clarify the definition of “vesting conditions”, and separately define a “performance condition” and a “service condition”. A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

- IFRS 9 Financial instruments

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity’s “own credit risk” is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the “own credit requirement” in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

- IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction, between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. The amendments to IFRS 13, issued in December 2013, clarify that the portfolio exception applies to all contracts within the scope of IFRS 9 Financial instruments or IAS 39 Financial instruments: Recognition and measurement, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial instruments: Presentation. The amendments are effective for annual periods beginning on or after July 1, 2014.

- Amendments to IAS 24 – Related Party Disclosures

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The adoption of this issuance did not have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

- Amendments to IFRS 7 – Financial Instruments: Disclosures

The amendments to IFRS 7 require the disclosure of information that will enable users of an entity's financial statements to evaluate the effect, or potential effect, of offsetting financial assets and financial liabilities, to the entity's financial position. Amendments to IFRS 7 are applicable to annual periods beginning on or after January 1, 2013, with retrospective application required.

- Amendments to IAS 39 - Financial Instruments: Recognition and measurement

The amendments to IAS 39, issued in June 2013, clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations, does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014.

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	
	2014	2013	2014	2013
	$	$	$	$
Other revenue				
Bank interest income	659	133	921	7,097
	659	133	921	7,097
Other comprehensive income				
Gain (loss) on available-for-sale investments	3,431	-	(1,560)	-

(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	
	2014	2013	2014	2013
	$	$	$	$
Depreciation	794	995	2,463	2,985
Corporate administration	37,465	76,651	140,987	205,476
Net foreign exchange (gain) Loss	(5,035)	527	(2,929)	4,285
Investor relations	-	2,171	1,654	17,495
Professional fees	4,651	26,361	67,646	505,230
Regulatory and shareholder services	9,879	19,978	54,181	70,485
Staff costs				
- Salaries and others	45,732	73,608	174,107	277,248
- Share-based payments	-	-	99,641	-
Share-based payments to consultants	-	-	25,459	-
	93,486	200,291	563,209	1,083,204

7. Other operating expenses

The Group had no other operation expenses for the periods ended Sept 30, 2014 and 2013.

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	
	2014	2013	2014	2013
Loss attributable to owners of the Company ($)	(92,827)	(200,158)	(562,288)	(1,076,107)
Weighted average number of shares in issue during the period	54,204,557	251,396,301	55,979,282	251,396,301
Loss per share for loss attributable to owners of the Company during the period ($)	(0.00)	(0.00)	(0.01)	(0.00)

Diluted loss per share for the nine months ended Sept 30, 2014 and 2013 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 December 31, 2013 and Spet 30, 2014	6,652	12,597	4,145	59,100	36,138	118,632
Accumulated depreciation and impairment losses						
At January 1, 2013	2,694	8,882	4,145	7,857	-	23,578
Charge for the year	1,187	743	-	2,050		3,980
At December 31, 2013	3,881	9,625	4,145	9,907	-	27,558
Change for the period	583	424	-	1,456	-	2,463
At September 30, 2014	4,464	10,049	4,145	11,363	-	30,021
Net book value						
At December 31, 2013	2,771	2,972	-	49,193	-	91,074
At September 30, 2014	2,188	2,548	-	47,737	-	88,611

The Company	Computer equipment	Other equipment	Software	Total
	$	$	$	$
Cost				
At December 31, 2013 and Spet 30, 2014	6,652	12,597	4,145	23,394
Accumulated depreciation and impairment losses				
At January 1, 2013	2,694	8,882	4,145	15,721
Charge for the year	1,187	743	-	1,930
At December 31, 2013	3,881	9,625	4,145	17,651
Charge for the year	578	424	-	1,002
At September 30, 2014	4,459	10,049	4,145	18,653
Net book value				
At December 31, 2013	2,771	2,972	-	5,743
At September 30, 2014	2,193	2,548	-	4,741

(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, 2012	15,975,052
Additions	688,307
British Columbia mineral exploration tax credit	(705,152)
At December 31, 2013	15,958,207
Additions	129,626
British Columbia mineral exploration tax credit	(22,881)
At September 30, 2014	16,064,952

Canada	Silver Coin and Kansas	Other	Total
	$	$	$
At December 31, 2012	15,952,651	22,401	15,975,052
Acquistion costs	695	-	695
Surveying, geological, geochemical and geophysical	359,360	-	359,360
Land maintenance	2,864	-	2,864
Sampling	13,408	-	13,408
Assessing technical feasibility and commercial viability	311,980	-	311,980
British Columbia mineral exploration tax credit	(705,152)	-	(705,152)
At December 31, 2013	15,935,806	22,401	15,958,207
Surveying, geological, geochemical and geophysical	56,287	-	56,287
Land maintenance	2,911	-	2,911
Sampling	13,955	-	13,955
Assessing technical feasibility and commercial viability	56,473	-	- 56,473
British Columbia mineral exploration tax credit	(22,881)		(22,881)
At September 30, 2014	16,042,551	22,401	16,064,952

(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. There was no expenditure related to these two claims at Sept 30, 2014.

(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, 2014			
Mountain Boy Minerals Ltd.	300,975	140,844	3,007
Great Bear Resources Ltd.	97,000	57,500	3,880
		198,344	6,887
December 31, 2013			
Mountain Boy Minerals Ltd.	300,975	140,844	3,010
Great Bear Resources Ltd.	100,000	57,500	15,000
		198,344	18,010

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	At September 30, 2014	At December 31, 2013
		$	$
Amounts due to related companies/ directors			
- Baron Global Financial Canada Ltd.	(1)	15,990	-
- TransMax Investing	(2)	-	-

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

(1) Mr. Herrick Lau, chief financial officer of the Company, is a director of Baron Global Financial Canada Ltd.

(2) Mr. David Arthur Eaton, a former director of the Company, is the owner of TransMax Investing. Mr. David Arthur Eaton ceased to be a director of the Company on June 27, 2014.

(Expressed in Canadian dollars)

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. On January 6, 2014, Letty Wan provided another credit facility of up to approximately $2,061,855 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.

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. The total amount of HK$1,500,000 was settled by the subscription of rights offering of 2,487,686 shares at $0.10 closed on December 10, 2013.

14. Share capital

	Note	Common shares Number of shares	Amount (net of issuance cost)
			$
Authorized:			
At December 31, 2012 and 2013		5,000,000,000 shares with no par value	
At January 1, 2012 and December 31, 2012		25,139,641	41,050,815
At December 31, 2013		50,279,282	43,422,881
Shares issued for private placement		5,700,000	551,917
At September 30, 2014		55,979,282	43,974,798

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.

On October 23, 2013, the Company filed a short form prospectus with all the securities commissions in Canada related to Rights Offering. 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 expired at 2 p.m. (Vancouver time) on December 6, 2013. Net proceeds from the Rights Offering are planned for a phase 1 work program on the Silver Coin property, and for administrative expenses and working capital for the next 12 months. On December 10, 2013, the Company completed its rights offering. Pursuant to the rights offering, The Company issued in total 25,139,641 ordinary shares (the "Ordinary Shares") at a subscription price of $0.10 per Ordinary Share (the "Subscription Price"), providing gross proceeds of $2,513,964. The Company incurred total share issuance costs of $141,898 related to Rights Offering. The Company's total issued and outstanding Ordinary Shares increased to 50,279,282 as of year ended December 31, 2013.

(Expressed in Canadian dollars)

14. Share capital (continued)

On March 26, 2014, the Company closed a non-brokered private placement consisting of 5,700,000 units (the “Unitis”) at a price of $0.10 per Unit for gross proceeds of $570,000. Each Unit consists of one common share of the Company (a “Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional Share (a “Warrant Share”) of the Company at a price of $0.12 per Warrant Share until March 25, 2016.

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 payments reserve	Fair value reserve for available-for -sale investments	Accumulated losses	Total
	$	$	$	$
At December 31, 2012	2,048,233	(44,515)	(33,765,195)	(31,761,477)
Loss for the year	-	-	(1,838,144)	(1,838,144)
Other comprehensive income (loss)				
Loss on change in fair value of available-for-sale investments	-	(10,024)	-	(10,024)
Total comprehensive income (loss) for the year	-	-	(1,919,957)	(1,919,957)
At December 31, 2013	2,048,233	(54,539)	(35,685,152)	(33,691,458)
Share-based payments	125,100	-	-	125,100
Loss on change in fair value of available-for-sale investments	-	(9,398)	-	(9,398)
Loss for the period	-	-	(768,633)	(768,633)
At September 30, 2014	2,173,333	(63,937)	(36,453,785)	(34,344,389)

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 six 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.

(Expressed in Canadian dollars)

16. Share-based payments (continued)

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

	Nine Months Ended September 30, 2014		Year ended December 31, 2013	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Options outstanding, beginning of the year	1,750,000	1.90	1,752,000	1.90
Granted	1,425,000	0.11	-	-
Expired	-	-	(2,000)	2.00
Options outstanding	3,175,000	1.07	1,750,000	1.90
Options exercisable	3,175,000	1.07	1,750,000	1.85

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

At Sept 30, 2014:

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
1,425,000	April 4, 2019	0.11	1,425,000	0.11
3,175,000		1.07	3,175,000	1.07

At December 31, 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		1.90	1,750,000	1.90

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.

(Expressed in Canadian dollars)

16. Share-based payments (continued)

On April 4, 2014, the Company issued 1,425,000 stock options to directors, officers and consultants pursuant to the Company's stock option plan. The stock options vest immediately and will be exercisable at a price of $0.11 per share for a period of five years.

No options were exercised during the period ended Sept 30, 2014 and the year ended December 31, 2013 The weighted average remaining contractual life of the stock options outstanding at Sept 30, 2014 is 2.66 years (December 31, 2013: 1.89 years).

During the nine months ended Sept 30, 2014, the Company recognized $125,100 (2013: $Nil) 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 Sept 30,	
	2014	2013
Date of grant	April 4, 2014	-
Share price at grant date	$0.11	-
Risk free interest rate	1.52%	-
Expected life in years	5	-
Expected volatility	112%	-
Expected dividend per share	Nil	-
Fair value at grant date	$0.09	-
Exercise price at grant date	$0.11	-

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.

On March 26, 2014, the Company completed a non-brokered private placement issuing 5,700,000 units at $0.10 per Unit for gross proceeds of $570,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.12 for a two year period. At Sept 30, 2014, 5,700,000 full share equivalent warrants are outstanding (December 31, 2013: Nil).

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.

(Expressed in Canadian dollars)

17. Related party transactions (continued)

September 30, 2014	Management services	Consulting and advisory services	Rent and office expenses
	$	$	$
Baron Global Financial Canada Ltd. (1)	48,750	-	26,250

September 30, 2013	Management services	Consulting and advisory services	Rent and office expenses
	$	$	$
Baron Global Financial Canada Ltd. (1)	58,500	-	31,500

(1) Mr. Herrick Lau Mong Tak and Mr. David Arthur Eaton, officer and former 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:

	Nine Months Ended Sept 30,	
	2014	2013
	$	$
Employees' remuneration summary		
Salaries and others	111,912	194,549
Share-based payments	99,641	-
	211,553	194,549

(c) On January 6, 2014, Letty Wan, an executive director of the Company, has provided a credit facility of up to approximately $2,061,855 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.

18. Supplementary cash flow information

	Nine Months Ended Sept 30,	
	2014	2013
	$	$
Non-cash investing activities		
Change in mineral property expenditures included in accounts payable	(100,735)	151,646

(Expressed in Canadian dollars)

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.

	Period ended September 30, 2014		Year ended December 31, 2013	
	USD	Other	USD	Other
	$	$	$	$
Effect on loss after tax for the year and retained profits				
- The Group	1,650	93	1,553	23,552

(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.

(Expressed in Canadian dollars)

19. Financial instruments (continued)

(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:

The Group	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	One to two years
	$	$	$	$
At September 30, 2014				
Payables and accruals	15,990	15,990	15,990	-
Amounts due to related companies	42,773	42,773	42,773	-
	58,763	58,763	58,763	-
At December 31, 2013				
Payables and accruals	267,559	267,559	267,559	-
	267,559	267,559	267,559	-

(Expressed in Canadian dollars)

19. Financial instruments (continued)

The Company	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	One to two years
	$	$	$	$
At September 30, 2014				
Payables and accruals	32,504	32,504	32,504	-
	32,504	32,504	32,504	-
At December 31, 2013				
Payables and accruals	114,277	114,277	114,277	-
	114,277	114,277	114,277	-

(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, 2014			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets:				
Cash and cash equivalents	79,849	-	-	79,849
Available-for-sale investments				
- listed equity securities, at fair value	6,887	-	-	6,887
	86,736	- -	- - -	86,736

	At December 31, 2013			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets:				
Cash and cash equivalents	241,500	-	-	241,500
Available-for-sale investments				
- listed equity securities, at fair value	18,010	-	-	18,010
	259,510	-	-	259,510

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:

	September 30	At December 31,
	2014	2013
	$	$
Financial assets		
Available-for-sale investments	6,887	18,010
Loans and receivables		
- Cash and cash equivalents	79,849	241,500
	86,736	259,510
Financial liabilities		
At amortized costs		
- Payables and accruals	(42,773)	(267,599)
- Amounts due to related companies	(15,990)	-
	(58,763)	(267,599)

20. Subsequent Events

On November 6, 2014 the Company completed a private placement of unsecured convertible debentures in the amount of $204,000. Each debenture will have a principal amount of $1,000. The debentures will bear no interest on the principal amount and have a term of 24 months, expiring on the date that is 24 months from the date of closing of the private placement. The company may repay in whole or in part the debentures at any time prior to the maturity date. Each debenture is convertible into units at 12 cents per unit. Each unit consists of one common share of the company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share of the company for a period of 24 months after the closing of the debentures at a price of 12 cents per warrant.