AUGUSTINE VENTURES INC.

FINANCIAL STATEMENTS

NOVEMBER 30, 2012 AND 2011

CONTENTS

Independent Auditor's Report
Statements of Financial Position
Statements of Comprehensive Loss
Statements of Cash Flows
Statements of Changes in Shareholders' Equity
Notes to Financial Statements

McCarneyGreenwood

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Augustine Ventures Inc.

We have audited the accompanying financial statements of Augustine Ventures Inc. which comprise the statements of financial position as at November 30, 2012, November 30, 2011 and December 1, 2010 and the statements of comprehensive loss, cash flows, and changes in shareholders' equity for the years ended November 30, 2012 and November 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Augustine Ventures Inc. as at November 30, 2012, November 30, 2011 and December 1, 2010 and its financial performance and its cash flows for the years ended November 30, 2012 and November 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 2, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"McCarney Greenwood LLP"

Toronto, Canada
March 28, 2013

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

AUGUSTINE VENTURES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at November 30 2012	As at November 30 2011 (note 21)	As at December 1 2010 (note 21)
ASSETS			
Current			
Cash and cash equivalents (note 7)	$ 78,177	$ 100,426	$ 26,149
Sundry receivables and prepaids (note 8)	23,561	65,792	1,016
	101,738	166,218	27,165
Advances to related party (note 9)	-	265,265	69,434
Property and equipment (note 10)	111,191	26,275	-
Oil and gas interests (note 11)	1	1	1
Mining properties and expenditures (note 12)	2,579,880	2,244,930	100,001
	$ 2,792,810	$ 2,702,689	$ 196,601
LIABILITIES			
Current			
Accounts payable and accrued liabilities	$ 222,806	$ 160,806	$ 78,046
Due to related parties (note 9)	504,180	84,871	34,000
	726,986	245,677	112,046
SHAREHOLDERS' EQUITY			
Share capital (note 13)	3,071,510	2,752,194	1,519,975
Reserves for warrants (note 13)	2,091,014	1,992,996	158,357
Reserves for share-based payments (note 13)	762,122	306,304	20,440
Deficit	(3,858,822)	(2,594,482)	(1,614,217)
	2,065,824	2,457,012	84,555
	$ 2,792,810	$ 2,702,689	$ 196,601

Basis of preparation and going concern assumption (note 2)
Subsequent events (note 20)
Commitments (note 18)

Approved by the Board:

"Robert Dodds" Director

"G. Michael Newman" Director

The accompanying notes are an integral part of these financial statements.

AUGUSTINE VENTURES INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended November 30 2012	Year Ended November 30 2011 (note 21)
Expenses		
Consulting fees	$ 22,680	$ -
Depreciation (note 10)	10,584	7,628
Directors fees (note 9)	69,750	51,500
General and administrative	49,970	75,921
Management fees (note 9)	488,141	290,917
Professional fees	63,540	38,627
Rent and occupancy costs (note 9)	101,679	82,500
Salaries and benefits	145,977	145,025
Shareholder services and public company costs	68,004	163,583
Share based payments (note 14)	284,791	124,564
Loss before other items	(1,305,116)	(980,265)
Gain on settlement of debt (note 9)	28,996	-
Interest income (note 9)	11,780	-
Net loss and comprehensive loss for the year	$ (1,264,340)	$ (980,265)
Loss per common share (basic and fully diluted) (note 15)	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding (note 15)	31,586,037	23,924,105

The accompanying notes are an integral part of these financial statements.

AUGUSTINE VENTURES INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended November 30 2012	November 30 2011 (note 21)
Cash provided by (used in) operating activities		
Net loss for the year	$ (1,264,340)	$ (980,265)
Share based payments (note 13 and 14)	284,791	124,564
Depreciation (note 10)	10,584	7,628
Changes in non-cash working capital items		
Sundry receivables	42,231	(64,776)
Accounts payable	62,000	82,760
Due to related parties	419,310	50,871
	(445,424)	(779,218)
Cash provided by (used in) investing activities		
Advances to related party	265,265	(195,831)
Acquisition of property and equipment (note 9 and 10)	(95,500)	(33,903)
Acquisition of mining properties (note 12)	(35,534)	(33,336)
Mining property exploration expenses (note 12)	(239,416)	(1,203,093)
	(105,185)	(1,466,163)
Cash provided by (used in) financing activities		
Share capital (note 13)	528,360	2,319,658
Increase (decrease) in cash and cash equivalents	(22,249)	74,277
Cash and cash equivalents, beginning of the year	100,426	26,149
Cash and cash equivalents, end of the year	**$ 78,177**	**$ 100,426**
Cash and cash equivalents consists of:		
Cash	$ 68,177	$ 90,426
Short-term investments	10,000	10,000
	$ 78,177	$ 100,426
Supplementary information:		
Interest paid	$ 641	$ -
Interest received	11,780	-
Issuance of shares for acquistion of mining properties	60,000	908,500

The accompanying notes are an integral part of these financial statements.

Augustine Ventures Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Shares	Amounts $	Share-based payments $	Warrants $	Deficit $	Total $
Balance at December 1, 2010	8,139,290	1,519,975	20,440	158,357	(1,614,217)	84,555
Issued for mineral property	6,310,000	908,500				908,500
Private placements	12,750,000	2,550,000				2,550,000
Additional shares issued to subscribers	1,912,500	-				-
Exercise of options	140,000	14,000				14,000
Fair value of options exercised	-	3,496	(3,496)			-
Warrant valuation	-	(1,834,639)		1,834,639		-
Costs of issue - cash	-	(244,342)				(244,342)
Costs of issue - broker options	-	(164,796)	164,796			-
Share-based payments	-	-	124,564			124,564
Net loss for the year	-	-			(980,265)	(980,265)
Balance at November 30, 2011	**29,251,790**	**2,752,194**	**306,304**	**1,992,996**	**(2,594,482)**	**2,457,012**
Private placements	3,075,000	530,000				530,000
Issued for mineral property	750,000	60,000				60,000
Exercise of options	300,000	30,000				30,000
Fair value of options exercised	-	6,256	(6,256)			-
Warrant valuation	-	(256,375)		256,375		-
Costs of issue - cash	-	(31,640)				(31,640)
Cost of issue - broker options	-	(18,925)	18,925			-
Share-based payments	-	-	284,792			284,792
Expiry of warrants	-	-	158,357	(158,357)		-
Net loss for the year	-	-			(1,264,340)	(1,264,340)
Balance at November 30, 2012	**33,376,790**	**3,071,510**	**762,122**	**2,091,014**	**(3,858,822)**	**2,065,824**

The accompanying notes are an integral part of these financial statements

1. Corporate information

Augustine Ventures Inc. ("Augustine" or the "Company") was established on May 7, 1997 as Black Mountain Minerals Inc. by statutory amalgamation of Triangle Capital Energy Corp. and Per-X Minerals Inc. pursuant to the provisions of the *Business Corporations Act* (Ontario). The Company engages in the exploration and evaluation of mining properties in Canada. To date, the Company has not earned any significant revenues from its mining properties and is considered to be in the development stage. The Company is listed on the Canadian National Stock Exchange (CNSX) under the symbol WAW. The primary office of the Company is located at 130 King Street West, Suite 720, Toronto, Ontario, Canada, M5X 1A2.

2. Basis of preparation

Statement of Compliance and Conversion to International Financial Reporting Standards ("IFRS")

These are the Company's first annual financial statements prepared in accordance with IFRS. Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are presented in note 21.

These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2012.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They also have been applied in preparing an opening IFRS balance sheet at December 1, 2010 (note 21) for the purposes of the transition to IFRS, as required by IFRS 1.

These financial statements for the year ended November 30, 2012 were authorized for issuance by the Board of Directors of the Company on March 28, 2013.

Going concern of operations

The Company is in the exploration stage and has not yet determined whether its mining resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mining resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mining resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mining properties.

The amount shown for mining properties and expenditures does not necessarily represent its present or future value. Changes in future conditions could require a material change in the amount recorded for mining properties. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has a working capital deficiency as at November 30, 2012 and will need to raise additional capital in the near term to fund its ongoing operations and exploration activities. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classifications in these financial statements that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

Basis of measurement

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

Property and equipment

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statements of comprehensive loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of comprehensive loss during the financial period in which they occurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in the statements of comprehensive loss.

Depreciation is recognized in the statements of comprehensive loss and is based on the estimated useful lives of the assets is provided as follows:

Furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Mining equipment	20% declining balance
Vehicles	30% declining balance.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Mining properties and expenditures

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mining properties and expenditures are classified as intangible assets. Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are classified as loans and receivables

Restoration, rehabilitation and environmental obligations

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

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

Financial instruments

Financial assets

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition.

Measurement in subsequent periods depends on the classification of the financial instrument.

i) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of operations.

The Company’s financial assets classified as FVTPL include cash and cash equivalents.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument to the net carrying amount on initial recognition.

Sundry receivables is classified as loans and receivables.

iii) Available for sale investments

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of operations.

The Company does not currently hold any available-for-sale financial assets.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statements of comprehensive income/loss.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

i) Other financial liabilities

Financial liabilities are classified as other financial liabilities based on the purpose for which the liability was incurred, and comprise of accounts payable and accrued liabilities and due to related parties. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable and accrued liabilities represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. These payable amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, compensation warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through shares

Flow-through shares are a unique Canadian tax incentive. Under IAS 8, the Company may apply judgment on accounting policies in the absence of specific guidance within IFRS. Therefore, the Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow through shares. A future tax liability is recognized for the premium paid (if any) by the investors and is then recognized as a future income tax recovery in the period of renunciation if the Company has sufficient unrealized tax losses and deductions.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part Xll.6 tax on flow-through proceeds renounced under the Look Back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Earnings/loss per share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share based payments

The fair value of equity-settled share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of cash and short term financial instruments approximates their carrying amounts due to the relatively short period to maturity. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. Unless otherwise noted, all financial instruments are level one.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after November 30, 2012. Many are not applicable or do not have a significant impact on the Company and so have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company:

(i) *IFRS 9 Financial Instruments* ("IFRS 9") - was issued by the IASB in October 2010 and will replace *IAS 39 Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

(ii) IFRS 13 Fair Value Measurement - On May 12, 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

(iii) IFRIC 20, 'Stripping costs in the production phase of a surface mine' sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. The Company is assessing the impact of IFRIC 20 on its consolidated financial statements. IFRIC 20 is effective for annual reporting periods beginning on or after January 1, 2013, with early adoption permitted.

(iv) IAS 27, 'Separate Financial Statements' was reissued in May 2011 and effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. As the consolidation guidance will now be included in IFRS10, IAS 27 will only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. The Company is currently evaluating the impact of the reissued IAS 27 on its financial statements.

(v) Other

In June 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, and IAS 28 Investments in Associates and Joint Ventures. The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 19 Employee Benefits, primarily related to accounting for defined benefit pension plans. The Company does not believe the changes resulting from these amendments will have an impact on its financial statements.

4. Critical accounting estimates and judgments

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the recoverability of accounts receivable that are included in the statement of financial position;

(ii) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;

(iii) although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;

(iv) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;

(v) the inputs used in accounting for share based payment transactions and in valuation of warrants included in financial assets at fair value through profit or loss; and

(vi) management's judgment in determining the functional currency of the Company as Canadian Dollars

Critical accounting judgments

Income taxes and recovery of deferred tax assets
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Restoration, rehabilitation and environmental obligations
Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

(Expressed in Canadian Dollars)

5. Financial instruments and risk exposures

The Company's financial instruments consist of cash and cash equivalents and sundry receivables, accounts payable and accrued liabilities, and due to related parties.

The fair value measurement of assets and liabilities recognized on the statement of financial position are categorized into levels within a fair value hierarchy based on the nature of valuation inputs.

The fair value hierarchy has the following levels:

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

Cash and cash equivalents are classified as Level 1 within the fair value hierarchy.

The fair values of sundry receivables and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments. The amount of advances from the related parties, which is included as part of the due to related party, bears an interest of 8% per annum and are due on January 31, 2013. The remaining due to related party amount bears no interest, has no specific terms of repayment and due on demand. The fair values of these amounts have not been disclosed because the cash flow streams of the related party amounts are not determinable.

Financial assets and financial liabilities were as follows:

November 30, 2012	Other liabilities ($)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Available for sale financial assets ($)	Total ($)
Cash and cash equivalents	-	-	78,177	-	78,177
Sundry receivables and prepaids	-	23,561	-	-	23,561
Accounts payable and accrued liabilities	222,806	-	-	-	222,806
Due to related parties	504,180	-	-	-	504,180

November 30, 2011	Other liabilities ($)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Available for sale financial assets ($)	Total ($)
Cash and cash equivalents	-	-	100,426	-	100,426
Sundry receivables and prepaids	-	65,792	-	-	65,792
Advances to related party	-	265,265	-	-	265,265
Accounts payable and accrued liabilities	160,806	-	-	-	160,806
Due to related parties	84,871	-	-	-	84,871

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Risk management is carried out by the Company's management with guidance from the Audit Committee. It is management's opinion that the Company is not exposed to significant credit risk, currency or market risks arising from the financial instruments.

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is mainly held through large Canadian financial institutions.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. As at November 30, 2012, it is management's opinion that the Company is exposed to liquidity risk in that it had a working capital deficiency; however, it continues its discussions with its creditors to delay formal demands for payment of their receivables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price risk

The Company is exposed to commodity price risk with respect to prices for gold and other precious metals. A significant decline in the prices of these commodities may affect the Company's ability to obtain capital for the exploration and development of its mining properties.

Sensitivity analysis

The Company believes the sensitivity to a plus or minus 1% change in interest rates would not have a significant impact on the reported net loss for the year ended November 30, 2012.

(Expressed in Canadian Dollars)

6. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at November 30, 2012 totaled $2,065,824 (November 30, 2011 - $2,457,012; December 1, 2010 - $84,555).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended November 30, 2012.

The Company is not subject to any externally imposed capital requirements.

7. Restricted cash

The Company has one credit card with a major financial institution with an aggregate credit limit of $10,000. The financial institution holds $10,000 in a Guaranteed Investment Certificate as collateral on the credit amount as long as the credit card is active. The restricted cash amount would change if there were any change in the credit limit on the card.

8. Sundry receivables and prepaid

	As at November 30, 2012 ($)	As at November 30, 2011 ($)	As at December 1, 2010 ($)
Harmonized sales tax recoverable	17,559	24,357	1,016
Sundry receivables and advances	784	36,143	-
Prepaid expenses	5,218	5,292	-
	23,561	65,792	1,016

(Expressed in Canadian Dollars)

9. Related party transactions and balances

During the year ended November 30, 2012, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued fees to its current and former senior officers totaling $488,141 (2011 - $290,917). Included in due to related parties are amounts of $322,690 (year ended November 30, 2011 - $25,371) due to the senior officers with respect of such fees. These amounts are non-interest bearing and are due on demand.

(b) The Company accrued directors fees totaling $69,750 (2011 - $51,500) to directors of the Company for their services as directors. Included in due to related parties are amounts of $100,250 (year ended November 30, 2011 - $59,500) due to current and former directors as a group with respect of such fees. These amounts are non-interest bearing and are due on demand.

(c) On October 3, 2012, the Company accrued a $200,000 severance as a result of the termination of employment agreement with the former CEO of the Company. This amount is included as part of the overall compensation to the management and officer of the Company disclosed in part (a) above. The severance payment will occur in eighteen consecutive monthly installments of $11,111 and will begin immediately following the Company's capital raise of $2.5 million dollars. As a result of the termination, the Company also settled a debt owed to the former CEO and a $28,996 gain from settlement of debt is recognized.

(d) During the fiscal year ended November 30, 2012, the Company received an aggregate of $48,000 (the "Principal") in loans. The loans are evidenced by convertible promissory notes (the "CP Notes") that are due on January 31, 2013 (the "Due Date") and for which the Company has granted general security agreements in favour of the lenders. Pursuant to the terms of the CP Notes, the holders may convert some or all of the Principal outstanding on or before the Due Date into units of the Company. Each unit is comprised of one common share and one common share purchase warrant (the "Warrants"). Each Warrant will entitle the holder thereof to acquire one common share at an exercise price of $0.15 at any time for a period of four years from date of issuance. In the event that the Company raises minimum gross proceeds of $250,000 in one or more private placements, the conversion price of the units will be amended to reflect the same terms as those of the private placement(s).

One of the CP Notes, in the amount of $13,000, is being held by the President and Chief Executive Officer of the Company and as such, is a related party to the Company. The remainder of the CP Notes totaling $35,000 is being held by two holders who are shareholders of the Company.

As at November 30, 2012, the amount of $48,000 in principal and $641 in accrued interest was due to the holders of the CP Notes.

(e) Key management personnel compensation during the year is comprised of:

	November 30, 2012 ($)	November 30, 2011 ($)
Management fees	288,141	290,917
Termination benefits accrued to former management	200,000	-
Directors' fees	69,750	51,500
Share based payments	284,791	124,564

(Expressed in Canadian Dollars)

(f) During the year ended November 30, 2010, the Company entered into an Assignment Agreement with Delta Uranium Inc. ("Delta") whereby the Company acquired and assumed Delta's interests and obligations in the Surluga Property (see note 12 - Mining properties and expenditures). The Company and Delta are related due to a common former director, common current and former officers, shareholders and that Delta held greater than 10% of the issued and outstanding common shares of the Company at that time. Also during that year, the Company entered into an agreement with Delta (the “Delta Augustine Agreement”) whereby the Company agreed to pay the following consideration to Delta:

a. $100,000 cash on execution of the Delta Augustine Agreement (which amount was paid during the fiscal year ended November 30, 2010); and

b. 3,810,000 common shares in the capital of the Company valued at an estimated fair value of $381,000, which shares were issued to Delta in December 2010.

(g) From January 1, 2011 to July 31, 2012, the Company subleased its office space from Delta on a month to month basis at a rate of $7,500 per month. Effective August 1, 2012, the Company entered into a tenancy agreement whereby it agreed to assume the entire office space and therefore all obligations with respect to the office lease at a rate of $10,701 per month. The office obligation was until July 31, 2013, at which time the Company would have the option to extend the office lease for a further five years at a rate to be agreed upon between the Company and the landlord (see note 18 - commitments).

(h) In August 2012, the Company purchased office, computer and mining equipment from Delta for a purchase price of $95,500, all of which the Company was already using for its head office and exploration activities. The purchase price was negotiated by independent directors of the Company and Delta and which was deducted from the balance of the Secured Promissory Note due to the Company from Delta (see paragraph (i) below).

(i) The Company extended a demand loan to Delta, which indebtedness was unsecured, non interest bearing and due on demand. On June 20, 2012, the Company received a Secured Promissory Note (the "Note") in the principal amount of $306,415 from Delta, which Note formally acknowledged Augustine's loans to Delta. The Note bore interest at the rate of 12% per annum and was repayable on demand. The principal and accrued interest payable under the Note was secured by a pledge by Delta with a first priority of 3,810,000 common shares of Augustine held by Delta.

Subsequent to the receipt of the Note and prior to the fiscal year end date of November 30, 2012, the Company received payments of principal and interest as follows:

	Amounts ($)
Principal	306,415
Interest	11,780
	318,195

As at November 30, 2012, all payments pertaining to the Note has been paid in full and the Company has released Delta of all obligations pertaining to the Note.

All transactions were in the normal course of operations and were recorded at exchange values established, which the consideration is agreed upon by the related parties.

(Expressed in Canadian Dollars)

10. Property and equipment

	Office equipment ($)	Mining equipment ($)	Computer equipment ($)	Vehicles ($)	Totals ($)
Cost:					
Balance, December 1, 2010	-	-	-	-	-
Additions	-	-	13,358	20,545	33,903
Balance, November 30, 2011	-	-	13,358	20,545	33,903
Additions	65,500	5,000	20,000	5,000	95,500
Balance, November 30, 2012	65,500	5,000	20,000	25,545	129,403
Depreciation and impairment losses:					
Balance, December 1, 2010	-	-	-	-	-
Depreciation for the year	-	-	3,006	4,622	7,628
Balance, November 30, 2011	-	-	3,006	4,622	7,628
Depreciation for the year	1,638	125	3,856	4,965	10,584
Balance, November 30, 2012	1,638	125	6,862	9,587	18,212
Carrying amounts:					
At December 1, 2010	-	-	-	-	-
At November 30, 2011	-	-	10,352	15,923	26,275
At November 30, 2012	63,862	4,875	26,496	15,958	111,191

11. Oil and gas interests

The Company held a 75% interest in certain oil and gas leases located in Camden Gore Township, Kent County, Ontario. The interest is subject to 25% gross overriding royalties. These oil and gas interests are being carried at the nominal value of $1.

12. Mining properties and expenditures

As at November 30, 2012, the carrying value of the Company's mining claims was as follows:

	Surluga ($)	Oakley ($)	Brackin ($)	Total ($)
Balance, November 30, 2010	**100,000**	**-**	**1**	**100,001**
Acquisition costs	471,836	470,000	-	941,836
Exploration costs	1,203,093	-	-	1,203,093
Balance, November 30, 2011	**1,774,929**	**470,000**	**1**	**2,244,930**
Acquisition costs	95,534	-	-	95,534
Exploration costs	231,266	8,150	-	239,416
Balance, November 30, 2012	**2,101,729**	**478,150**	**1**	**2,579,880**

Wawa properties

Surluga

Pursuant to the terms of an option agreement dated September 22, 2010 (the "Option Agreement"), as amended by an amending agreement dated November 25, 2010, entered into between the Company, Delta Uranium Inc. (“Delta") and Delta Precious Metals (Ontario) Inc. ("DPMI") and also pursuant to the terms of an assignment agreement dated September 15, 2010 (the "Assignment Agreement") entered into between the Company, Delta, DPMI, Citadel Gold Mines Inc. ("Citadel") and Citabar Limited Partnership ("Citabar"), the Company acquired an option to earn a 60% interest in the Surluga Property, which encompasses 172 mineral claims in McMurray Township, southeast of the town of Wawa, Ontario.

Pursuant to the terms of the Assignment Agreement, Citabar and Citadel consented to Delta and DPMI assigning their rights under an option agreement dated April 16, 2009, as amended, (the "Delta Option Agreement") whereby Delta and DPMI granted DPMI the exclusive right to earn an undivided 60% interest in the Surluga Property. In consideration for Citabar's consent for the assignment, the Company agreed to issue an aggregate of 1,000,000 common shares to Citabar as follows:

(1) 250,000 common shares on November 10, 2010, being the date that the Ontario Ministry of Northern Development, Mines and Forestry consents to the transfer of the Surluga Property from Citadel to Citabar (the "Consent Date"), of which the said 250,000 common shares have been issued on December 22, 2010; and

(2) an additional 250,000 common shares on each of the first, second and third year anniversary of the Consent Date. The 250,000 common shares pertaining to the first anniversary were issued on November 21, 2011.

Pursuant to the Option Agreement, the Company has agreed to pay Delta an aggregate of $100,000 and issue an aggregate of 3,810,000 common shares of which the $100,000 has been paid during the fiscal year ended November 30, 2010 and the 3,810,000 common shares later issued on December 22, 2010. This transaction is considered a related party transaction because Delta and the Company have common officers, a director and that Delta is a significant shareholder of the Company after they received shares from the option agreement.

Due to the provisions of the above noted agreements and pursuant to the original agreements between the original property owner and Citadel, the Company is also committed to make an additional cash payment to the original property vendor in the amount of $35,000 US on or before February 1, 2013, which payment was made subsequent to November 30, 2012 year end.

Pursuant to an Amending Agreement dated October 15, 2012 with Citabar Limited Partnership ("Citabar") and Delta, certain terms to earn a 60% interest in the Wawa Gold Project have been amended to provide that the date to have spent an additional $1,500,000 in eligible property expenditures by November 10, 2012 (for an aggregate of $2,000,000 of eligible property expenditures) has been extended to June 30, 2013. For consideration of Citabar entering into the Amending Agreement, the Company issued an additional 500,000 common shares in the capital of the Company to Citabar.

(Expressed in Canadian Dollars)

The following table summarizes the Company's requirements as at November 30, 2012 to earn its 60% interest in the Surluga property:

	Cash payments ($)	**Number of common shares**	**Exploration expenditures ($)**
Paid on signing	100,000		
Consent date (issued December 22, 2010)		250,000	
November 10, 2011 (completed)		250,000	500,000
February 1, 2012 ($35,000 US - paid)	35,534		
November 10, 2012 (issued)		250,000	
February 1, 2013 ($35,000 US – paid)	36,413		
June 30, 2013			1,500,000
November 10, 2013		250,000	2,000,000
November 10, 2014			4,000,000
		1,000,000	**8,000,000**

Subsequent to year end the Company entered into a second amended agreement (the “Second Amended Agreement”) (see subsequent event note 20)

Additional staked claims

In March 2011, the Company staked an additional 2 mining claims and in April 2012, the Company staked an additional 3 mining claims contiguous to the Surluga property.

Oakley Lake

On September 27, 2011, the Company purchased 22 mining claims comprising 161 claim units located in McMurray and Naveau Townships southeast of Wawa, Ontario (the "Oakley Lake Property").

Under the terms of the agreement, the Company acquired a 100% undivided interest in and to the Oakley Lake Property subject to a royalty of 2% of Net Smelter Returns ("Net Smelter Royalty") for and in consideration of $30,000 cash (paid during fiscal 2011) and the issuance of 2,000,000 shares in the capital stock of the Company, which shares were issued at a value of $0.22 per common share (being $440,000 in the aggregate), based on the average closing price of the Company's common shares as traded on the Canadian National Stock Exchange at that time. The Company also has the option to purchase one-half of the Net Smelter Royalty (i.e. 1% of Net Smelter Returns) at any time up to the commencement of commercial production from the Oakley Lake Property for the price of $1,000,000. This transaction was at arm's length to the Company.

Brackin Township

The Company holds a 100% interest in 4 patented mining claims located in Brackin Township, Ontario. These claims are being carried at the nominal value of $1.

(Expressed in Canadian Dollars)

13. Share capital and reserves

Common shares summary

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common share capital from December 1, 2010, date of IFRS transition, to November 30, 2012:

Date		Number of Shares	Amount ($)
December 1, 2010	**Balances**	**8,139,290**	**1,519,975**
December 22, 2010	Issued for mining property	4,060,000	406,000
December 22, 2010	Private placement (1)	6,150,000	1,230,000
February 8, 2011	Private placement (2)	3,900,000	780,000
March 23, 2011	Private placement (3)	2,700,000	540,000
March 24, 2011	Exercise of options (4)	100,000	10,000
April 27, 2011	Private placement (5)	922,500	
June 13, 2011	Private placement (6)	585,000	
July 28, 2011	Private placement (7)	405,000	
September 27, 2011	Issued for mining property (8)	2,000,000	440,000
November 7, 2011	Exercise of options (9)	40,000	4,000
November 21, 2011	Issued for mining property (10)	250,000	62,500
	Fair value of options exercised		3,496
	Warrant valuation		(1,834,639)
	Costs of issue - cash		(244,342)
	Costs of issue - compensation warrants		(164,796)
November 30, 2011	**Balances**	**29,251,790**	**2,752,194**
December 29, 2011	Private placement (11)	1,075,000	215,000
January 3, 2012	Exercise of options (12)	250,000	25,000
March 22, 2012	Private placement (13)	1,000,000	200,000
July 16, 2012	Private placement (14)	1,000,000	115,000
October 15, 2012	Issued for mining property (15)	500,000	45,000
November 9, 2012	Issued for mining property (16)	250,000	15,000
November 9, 2012	Exercise of options (17)	50,000	5,000
	Fair value of options exercised		6,256
	Warrant valuation		(256,375)
	Costs of issue - cash		(31,640)
	Costs of issue - compensation warrants		(18,925)
November 30, 2012	**Balances**	**33,376,790**	**3,071,510**

(1) On December 22, 2010, the Company closed a first tranche of financing for 2,150,000 Flow Through Units and 4,000,000 Non Flow Through Units at the price of $0.20 per Unit for gross proceeds of $1,230,000. Each Flow Through Unit consisted of one common share and one half common share purchase warrant, and each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 expiring on December 22, 2012. The value of the associated warrants was estimated to be $766,326 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $98,400 plus other cost reimbursements and issued 492,000 compensation warrants (see "Compensation warrants summary" in note 14).

(2) On February 8, 2011, the Company closed a second tranche of financing for 775,000 Flow Through Units and 3,125,000 Non Flow Through Units at the price of $0.20 per Unit for gross proceeds of $780,000. Each Flow Through Unit consisted of one common share and one half common share purchase warrant, and each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 expiring on February 8, 2013. The value of the associated warrants was estimated to be $509,313 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $62,400 plus other cost reimbursements and issued 312,000 compensation warrants (see "Compensation warrants summary" in note 14).

(3) On March 23, 2011, the Company closed a third tranche of financing for 800,000 Flow Through Units and 1,900,000 Non Flow Through Units at the price of $0.20 per Unit for gross proceeds of $540,000. Each Flow Through Unit consisted of one common share and one half common share purchase warrant, and each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 expiring on March 23, 2013. The value of the associated warrants was estimated to be $319,700 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $43,200 plus other cost reimbursements and issued 216,000 compensation warrants (see "Compensation warrants summary" in note 14).

(4) Exercise of 100,000 options at an exercise price of $0.10 per common share.

(5) The Company issued a total of 922,500 units equal to 15% of the total units to the subscribers of a private placement that closed on December 22, 2010 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 600,000 Non Flow Through Units and 322,500 Flow Through Units. Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one common share and one half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 expiring on April 27, 2013. The value of the associated warrants was estimated to be $114,949 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below).

(6) The Company issued a total of 585,000 units equal to 15% of the total units to the subscribers of a private placement that closed on February 8, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 468,750 Non Flow Through Units and 116,250 Flow Through Units. Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one common share and one half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 expiring on June 13, 2013. The value of the associated warrants was estimated to be $76,397 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below).

(7) The Company issued a total of 405,000 units equal to 15% of the total units to the subscribers of a private placement that closed on March 23, 2011 due to the delay of listing on the TSX or TSX Venture Exchanges, which include 285,000 Non Flow Through Units and 120,000 Flow Through Units. Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one common shares and one half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 expiring July 28, 2013. The value of the associated warrants was estimated to be $47,955 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below).

(8) Issuance of 2,000,000 common shares at the price of $0.22 per common share to acquire the Oakley Lake property (see note 12).

(9) Exercise of 40,000 options at an exercise price of $0.10 per common share.

(10) Issuance of 250,000 common shares at the price of $0.25 per common share with regard to the Delta Option Agreement (see note 12).

(11) On December 29, 2011, the Company closed a financing for 1,075,000 Flow Through Units at the price of $0.20 per Unit for gross proceeds of $215,000. Each Flow Through Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.50 expiring on December 29, 2013. The value of the associated warrants was estimated to be $91,375 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $10,500 and issued 52,500 compensation warrants (see "Compensation warrants summary" in note 14).

(12) Exercise of 250,000 options at an exercise price of $0.10 per common share.

(13) On March 22, 2012, the Company closed a financing for 1,000,000 Non Flow Through Units at the price of $0.20 per Unit for gross proceeds of $200,000. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.25 expiring on March 21, 2016. The value of the associated warrants was estimated to be $165,000 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement the Company paid cash commissions of $21,140 and issued 80,000 compensation warrants (see "Compensation warrants summary" in note 14).

(14) On July 16, 2012, the Company completed a non-brokered private placement of 1,000,000 common shares at the price of $0.115 per common share in the capital of the Company for gross proceeds of $115,000. The financing was completed at arm's length and no commissions were paid.

(15) Issuance of 500,000 common shares at the price of $0.09 per common share for consideration of the extension of a work commitment on the Wawa property option.

(16) Issuance of 250,000 common shares at the price of $0.06 per common share with regard to the Delta Option Agreement (see note 12).

(17) Exercise of 50,000 options at an exercise price of $0.10 per common share.

(Expressed in Canadian Dollars)

Warrants summary

The Company issued warrants in connection with private placements and is disclosed as a separate component of shareholders' equity.

Warrants as at November 30, 2012

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Nov. 1, 2010	Nov. 1, 2012	0.20	2,639,290	-	-	(2,639,290)	-
Dec. 22, 2010	Dec. 22, 2012 (b)	0.40	5,075,000	-	-	-	5,075,000
Feb. 8, 2011	Feb. 8, 2013 (b)	0.40	3,512,500	-	-	-	3,512,500
Mar. 23, 2011	Mar. 23, 2013 (b)	0.40	2,300,000	-	-	-	2,300,000
Apr. 27, 2011	Apr. 27, 2013	0.40	761,250	-	-	-	761,250
June 13, 2011	June 13, 2013	0.40	526,875	-	-	-	526,875
July 28, 2011	July 28, 2013	0.40	345,000	-	-	-	345,000
Dec. 29, 2011	Dec. 29, 2013	0.50	-	1,075,000	-	-	1,075,000
Mar. 22, 2012	Mar. 21, 2016	0.25	-	1,000,000	-	-	1,000,000
			15,159,915	**2,075,000**	**-**	**(2,639,290)**	**14,595,625**
Weighted average exercise price ($)			**0.40**	**0.38**	**-**	**0.20**	**0.40**

Warrants as at November 30, 2011

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Nov. 1, 2010	Nov. 1, 2012	0.20	2,639,290	-	-	-	2,639,290
Dec. 22, 2010	Dec. 22, 2012 (b)	0.40	-	5,075,000	-	-	5,075,000
Feb. 8, 2011	Feb. 8, 2013 (b)	0.40	-	3,512,500	-	-	3,512,500
Mar. 23, 2011	Mar. 23, 2013 (b)	0.40	-	2,300,000	-	-	2,300,000
Apr. 27, 2011	Apr. 27, 2013	0.40	-	761,250	-	-	761,250
June 13, 2011	June 13, 2013	0.40	-	526,875	-	-	526,875
July 28, 2011	July 28, 2013	0.40	-	345,000	-	-	345,000
			2,639,290	**12,520,625**	**-**	**-**	**15,159,915**
Weighted average exercise price ($)			**0.20**	**0.40**	**-**	**-**	**0.40**

(Expressed in Canadian Dollars)

The fair values of the associated warrants were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions:

Issue Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Nov. 1, 2010	Nov. 1, 2012 (a)	0.20	0.10	1.41	147	2	0	158,357
Dec. 22, 2010	Dec. 22, 2013 (b)	0.40	0.20	1.66	190	2	0	766,326
Feb. 8, 2011	Feb. 8, 2014 (b)	0.40	0.20	1.88	180	2	0	509,313
Mar. 23, 2011	Mar. 23, 2014 (b)	0.40	0.20	1.68	172	2	0	319,700
Apr. 27, 2011	Apr. 27, 2013	0.40	0.20	1.66	190	2	0	114,949
June 13, 2011	June 13, 2013	0.40	0.20	1.88	180	2	0	76,396
July 28, 2011	July 28, 2013	0.40	0.20	1.68	172	2	0	47,955
Dec. 29, 2011	Dec. 29, 2013	0.50	0.15	0.95	160	2	0	91,375
Mar. 22, 2012	Mar. 21, 2016	0.25	0.18	1.71	179	4	0	165,000
								2,091,014

(a) These warrants expired unexercised on November 1, 2012.

(b) On December 7, 2012, the Company extended the expiry date of these warrants by one year; the date above reflects the amended expiry date.

The expected price volatility was based on the historic volatility (based on the remaining life of the warrants), adjusted for any expected changes to future volatility due to publicly available information.

Reserves for share-based payment summary

	Amounts ($)
Balance, December 1, 2010	**20,440**
Share-based payment (note 14)	124,564
Fair value of compensation warrants (note 14)	164,796
Fair value of stock options exercised	(3,496)
Balance, November 30, 2011	**306,304**
Share-based payment (note 14)	284,791
Fair value of compensation warrants (note 14)	18,925
Fair value of stock options exercised	(6,256)
Reallocation of value from expired warrants	158,358
Balance, November 30, 2012	**762,122**

(Expressed in Canadian Dollars)

14. Share based payments

Stock option plan details

The Company has an incentive stock option plan (the "Plan") enabling the Board of Directors to grant options to employees, directors and officers of the Company and persons providing ongoing services to the Company. The purpose of the Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

As at November 30, 2012, the maximum number of common shares which may be set aside for issue under the Plan was 6,283,781 common shares, provided that the Board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. Any shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan. The option price of any common shares cannot be less than the closing price of the shares on the day immediately preceding the day upon which the option is granted. Options granted under the Plan may be exercised during a period not exceeding ten (10) years, subject to earlier termination upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its affiliates, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. The Board of Directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time.

Stock Option Summary

	Number of options	Weighted-average exercise price $
Balance, December 1, 2010	**858,598**	**0.10**
Granted	865,000	0.20
Exercised	(140,000)	0.10
Expired/cancelled/forfeited	(163,598)	0.10
Balance, November 30, 2011	**1,420,000**	**0.16**
Granted	2,612,500	0.20
Exercised	(300,000)	0.10
Expired/cancelled/forfeited	(425,000)	0.15
Balance, November 30, 2012	**3,307,500**	**0.20**

(Expressed in Canadian Dollars)

Stock options granted

The following summarizes changes in stock options from December 1, 2010 to November 30, 2012:

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
Nov. 24, 2009	Nov. 24, 2014	0.10	367,196	-	(133,598)	(143,598)	90,000	90,000	-
Nov. 10, 2010	Nov. 11, 2012	0.10	491,402	-	(306,402)	(185,000)	-	-	-
Apr. 25, 2011	Apr. 1, 2013	0.20	-	865,000	-	(95,000)	770,000	770,000	-
Jan. 12, 2012	Oct. 1, 2013	0.20	-	1,055,000	-	(110,000)	945,000	945,000	-
Jan. 12, 2012	Jan. 1, 2014	0.20	-	527,500	-	(55,000)	472,500	472,500	-
Jan. 12, 2012	June 1, 2014	0.20	-	1,030,000	-	-	1,030,000	770,002	259,998
			858,598	**3,477,500**	**(440,000)**	**(588,598)**	**3,307,500**	**3,047,502**	**259,998**
Weighted average exercise price ($)			**0.10**	**0.20**	**0.10**	**0.14**	**0.20**	**0.20**	**0.20**

The Company applies the fair value method of accounting for stock-based compensation awards to employees and non-employees. For valuation purposes, the fair values of options granted were estimated on their dates of grant using the Black-Scholes option pricing model and the following assumptions:

Grant Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Nov. 24, 2009	Nov. 24, 2014	0.10	0.054	2.54	100	5	0	13,219
Nov. 10, 2010	Nov. 11, 2012	0.10	0.04	1.57	114	2	0	7,221
Apr. 25, 2011	Apr. 1, 2013	0.20	0.20	1.83	171	2	0	130,975
Jan. 12, 2012	Oct. 1, 2013	0.20	0.16	0.99	155	1.72	0	106,925
Jan. 12, 2012	Jan. 1, 2014	0.20	0.16	0.99	154	1.97	0	54,482
Jan. 12, 2012	June 1, 2014	0.20	0.16	0.99	165	2.39	0	127,720

(Expressed in Canadian Dollars)

Compensation warrants summary

The Company issued compensation warrants in connection with private placements (see note 13 - share capital and reserves). The following summarizes changes in compensation warrants granted from December 1, 2010 to November 30, 2012:

November 30, 2012

Issue Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Dec. 22, 2010	note (a)	0.20	492,000	-	-	-	492,000
Feb. 8, 2011	note (a)	0.20	312,000	-	-	-	312,000
Mar. 23, 2011	note (a)	0.20	216,000	-	-	-	216,000
Dec. 29, 2011	Dec. 29, 2013	0.20	-	52,500	-	-	52,500
Mar. 22, 2012	Mar. 21, 2016	0.20	-	80,000	-	-	80,000
			1,020,000	**132,500**	**-**	**-**	**1,152,500**
Weighted average exercise price ($)			**0.20**	**0.20**	**-**	**-**	**0.20**

November 30, 2011

Issue Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Dec. 22, 2010	note (a)	0.20	-	492,000	-	-	492,000
Feb. 8, 2011	note (a)	0.20	-	312,000	-	-	312,000
Mar. 23, 2011	note (a)	0.20	-	216,000	-	-	216,000
			-	**1,020,000**	**-**	**-**	**1,020,000**
Weighted average exercise price ($)			**-**	**0.20**	**-**	**-**	**0.20**

For valuation purposes, the fair values of compensation warrants granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions:

Issue Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Dec. 22, 2010	note (a)	0.20	0.20	1.66	190	2	0	81,180
Feb. 8, 2011	note (a)	0.20	0.20	1.88	180	2	0	49,920
Mar. 23, 2011	note (a)	0.20	0.20	1.68	172	2	0	33,696
Dec. 29, 2011	Dec. 29, 2013	0.20	0.15	0.95	160	2	0	5,565
Mar. 22, 2012	Mar. 21, 2016	0.20	0.18	1.71	179	4	0	13,360

(a) In addition to the cash commissions paid in items (1), (2) and (3) described in note 13 - common shares summary, the Company issued at arm's length an aggregate of 1,020,000 compensation warrants. Each compensation warrant entitles the holder thereof to acquire one Unit at an exercise price of $0.20 per Unit (the "Unit") for a period of two years from the date that the Company completes either: (i) a distribution to the public of common shares in Canada pursuant to a prospectus and the concurrent listing of the common shares for trading on a recognized stock exchange, or (ii) another transaction as a result of which all outstanding common shares, or the securities of another issuer issued in exchange for all such outstanding common shares, are traded on a recognized stock exchange and are freely tradable (subject to control block restrictions) (the "Liquidity Event").

(Expressed in Canadian Dollars)

Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 expiring two years from the Liquidity Event.

The expected price volatilities were based on the average historic volatility of three similar companies, the historical price data for Augustine is insufficient (based on the remaining life of the stock and compensation options), adjusted for any expected changes to future volatility due to publicly available information.

15. Basic and diluted loss per share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year.

	November 30, 2012	November 30, 2011
Loss attributable to common shareholders	$ 1,264,340	$ 980,265
Weighted average number of common shares	31,586,037	23,924,105
Basic and diluted loss per share	$ 0.04	$ 0.04
Weighted average number of common shares:		
Balance, December 1, 2011 and 2010	29,251,790	8,139,290
Effect of common shares issued for mining properties	43,151	4,172,137
Effect of common shares issued for private placements	2,060,822	11,541,390
Effect of stock options exercised	230,274	71,288
Balance, November 30, 2012 and 2011	31,586,037	23,924,105

The basic and diluted loss per share is the same as the outstanding options and warrants are anti-dilutive.

16. Segmented information

The Company's operations comprise a single reporting operating segment engaged in resource exploration through investing in resource properties. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for loss for the year also represent segment amounts. All of the Company's operations and assets are situated in Canada.

17. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted as at November 30, 2012.

18. Commitments

Office leases

Effective August 1, 2012, with regard to its former office premises at 56 Temperance Street in Toronto ("56 Temperance"), the Company entered into a tenancy agreement with Delta Uranium Inc. ("Delta"), whereby the Company agreed to assume the entire office space and therefore all obligations with respect to the office lease at 56 Temperance until July 31, 2013 (the lease expiry date).

Subsequent to the year ended November 30, 2012 and effective December 1, 2012, the Company entered into a sublease arrangement with an unrelated third party for the third party to occupy and therefore assume the remaining lease obligations at 56 Temperance to the landlord. As a result, the Company moved to occupy new office premises at 130 King Street West ("130 King") at a lower cost and subsequently entered into a sublease agreement until October 31, 2013. The Company remains liable to the landlord at 56 Temperance should the third party default on the lease obligations, however, the third party is well funded, has not defaulted to date and the Company has no reason to believe that it will be required to make any payments in event of default.

As of November 30, 2012 and as a result of these agreements, the Company was committed to rent payments on office space as follows:

	Amount ($)
To July 31, 2013 - 56 Temperance ***	85,608
To October 31, 2013 - 130 King	50,000

*** Payable only if sublessee defaults on their obligations

Wawa property

Pursuant to the acquisition agreements of the Surluga property in 2010, (see note 12 - mining properties and expenditures), the Company has the following remaining commitments to earn its 60% interest in the property.

The following table summarizes the Company's remaining option requirements and commitments to earn its interest in the Wawa Gold Property:

	Cash payments (US$)	**Common shares to be issued**	**Exploration expenditures ($)**	**Cumulative interest earned**
February 1, 2013	35,000 (b)			
Upon completion of financing		(c)		
June 30, 2013 (a)			565,000	
November 30, 2013		250,000	2,000,000	60%
June 30, 2015			4,000,000	75%
	35,000 (b)	**250,000**	**6,565,000**	

(a) The requirement to spend an additional $1,500,000 in exploration expenditures (for a cumulative total of $2,000,000) was extended from November 10, 2012 to June 30, 2013. The Company issued an additional 500,000 common shares to the optionor for amending the Option Agreement. As at November 30, 2012, the Company had approximately $565,000 remaining on its expenditure commitment to June 30, 2013

(b) Payable as $35,000 in U.S. Funds, which was paid in February 2013 as $36,413 Canadian Funds.

(Expressed in Canadian Dollars)

(c) In consideration for amending the original option agreements, the Company shall, upon the closing of the recently announced $3.5 million private placement, issue to Citabar such number of common shares of the Company that will represent after such issuance 30% of the issued and outstanding common shares of the Company at that time, excluding shares that Citabar and its affiliates already own, subject to any necessary regulatory and other approvals.

19. Income Taxes

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax expense in these financial statements:

	2012	**2011**
	$	**$**
Net loss before income taxes	(1,264,340)	(980,265)
Income tax at combined federal and provincial rates of 26.65% and 28.48% respectively	(336,947)	(279,179)
Share-based payments	75,885	35,479
Cost of issuance	(14,708)	(13,918)
Others	3,687	3,462
	(272,083)	(254,156)
Tax benefits not recognized	272,083	254,156
	-	-

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2012	**2011**
	$	**$**
Deferred Tax Assets		
Tax loss carry-forward	635,678	380,451
Share issue costs	42,979	48,869
Capital assets	4,553	1,907
Deferred tax assets	683,210	431,227
Deferred tax liabilities		
Temporary differences	(229,567)	(97,461)
Less: Deferred tax not recognized	(453,643)	(333,766)
Net Deferred Tax Asset	**-**	**-**

The potential income tax benefits of these carry-forward non-capital losses, share issue costs, and mining interest have not been recognized in the financial statements because it is not probable that the Company will be able to utilize these assets to offset tax liabilities in the near future.

(Expressed in Canadian Dollars)

As at November 30, 2012 the Company had non-capital losses available for carry-forward which may be carried forward to reduce taxable income in future years. These losses expire as follows:

Expired by:	**Amount**
2014	$ 72,000
2015	81,000
2026	73,000
2027	90,000
2028	91,000
2029	99,000
2030	124,000
2031	892,000
2032	1,021,000
	$ 2,543,000

20. Subsequent events

Convertible promissory notes ("CP Notes)

Subsequent to the fiscal year ended November 30, 2012, the holders of the CP Notes (see note 9(d) - related party transactions and balances) notified the Company that they elected to receive cash on repayment. As at the date of these financial statements, the CP Notes remain outstanding and will continue to accrue interest until repaid.

Amendments to Wawa Gold Property agreements

Subsequent to the year ended November 30, 2012, the Company reached a further amending agreement (“Second Amending Agreement”) with Citabar Limited Partnership ("Citabar") to amend the previous Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of $4.0 million in eligible expenditures on or before November 30, 2013. Under the Second Amending Agreement, the Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional $4.0 million in eligible expenditures (for an aggregate total of $8.0 million in eligible expenditures) on or before June 30, 2015. In consideration for amending the Option Agreement, the Company shall, upon the closing of the recent announced $3.5 million private placement, issue to Citabar such number of common shares of the Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of the Company, excluding shares that Citabar and its affiliates already own. The issuance of the shares to Citabar are subject to any and all necessary regulatory and other approvals.

Private Placements

On December 20, 2012, the Company's Board of Directors have approved an engagement letter dated November 9, 2012 with IBK Capital Corp. (the "Agent" or "IBK") for the sale of a common shares and common share purchase warrants ("Units") and flow through shares and common share purchase warrants ("FT Units") on a best efforts basis for gross aggregate proceeds of up to $6 million for a period of up to 6 months. The Company agreed to pay IBK a commission equal to 8% of the gross aggregate proceeds from the sale of the Units and FT Units and grant IBK an option that will entitle IBK to acquire a number of Units equal to 8% of the Units and FT Units issued. The Company has been advised that it is required to raise a minimum of $3 million in new financing prior to the listing of its common shares on the TSX Venture Exchange and the Company proposes to raise up to $3 million in a private placement by way of issuance of (i) up to 14, 000,000 FT Units at a price of $0.10 per FT Unit, and (ii) up to 16,000,000 Units at a price of $0.10 per Unit. The FT Units will comprise of one flow through common share and one half of one common share purchase warrant, and each Unit will comprise of one common share and one common share purchase warrant.

Other Contracts

On January 25, 2013, the Company engaged Investor Cubed Inc. ("ICI") for certain consulting services. Pursuant to the provisions of the Company's stock option plan, the Company granted ICI a non-assignable option to purchase up to 330,000 common shares of the Corporation at the exercise price of $0.10 per share to expire on January 24, 2015.

21. First time adoption of IFRS

The Company's financial statements for the year ending November 30, 2012 are the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was December 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be November 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with GAAP. An explanation of how the transition from GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables.

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS.

Optional exemptions

(i) Business Combinations - IFRS 1 provides the option to apply IFRS 3 Business Combinations retrospectively or prospectively from the Transaction Date. The Company has elected not to apply IFRS 3 retrospectively that may have occurred prior to its Transition Date and such business combinations have not been restated.

(ii) Share-based Payment Transactions - The Company elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

(iii) Borrowing Costs - The Company elected to apply the transitional provisions of IAS 23 Borrowing Costs which permits prospective capitalization of borrowing cost on qualifying assets from the Transition Date.

Mandatory exceptions

(i) Estimates - Hindsight is not used to create or revise estimates. The estimates previously made by the Company under GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Reconciliations of GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company has changed certain accounting policies in accordance with IFRS. The policies applied in these financial statements are based on IFRS issued and outstanding as of November 30, 2012. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.
(a) Impairment of (non-financial) assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the financial statements.

(b) Decommissioning liabilities (assets retirement obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the financial statements as there was no legal or constructive obligation on the Transition Date.

(c) Presentation

Certain amounts in the statements of financial position, statements of comprehensive loss and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

(d) Flow-through shares

The Company has chosen to adopt the following accounting policy for flow-through shares following the guidance from IAS 8 Para. 10-12 and considering the requirements and principles of IAS 12 Income Taxes. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received as follows:

(i) Other liabilities – The flow-through share premium is recorded as other liabilities and equal to the estimated premium, if any, investors pay for the flow-through feature; and

(ii) Warrants – If warrants are issued, warrants are allocated to the warrant section of shareholders' equity, based on the valuation derived using the Black-Scholes option pricing model;

(iii) Share capital – The balance of the gross proceeds net of (i) and (ii) above is allocated to share capital.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits of qualifying resource expenditures already incurred to have been effectively transferred, if it has formally renounced those expenditures at any time before or after the end of the reporting period.

Additionally, the Company reverse the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense. To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

All of the “IFRS adjustments” as follows, pertain to deferred income tax recorded on exploration expenses related to flow-through shares that were foregone by the Company. Under GAAP, the deferred income tax was reflected as a reduction of share capital; under IFR the deferred income tax is charged to net income.

(Expressed in Canadian Dollars)

The December 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS at the Transition Date as follows:

	Canadian GAAP ($)	December 1, 2010 Effect of transition to IFRS	IFRS ($)
Assets			
Current assets			
Cash	26,149	-	26,149
Sundry receivables and prepaids	1,016	-	1,016
	27,165	-	27,165
Advances to related party			69,434
Property and equipment		-	-
Oil and gas interests	1	-	1
Mining properties and expenditures	100,001	-	100,001
	196,601	-	196,601
Current liabilities			
Accounts payable and other liabilities	78,046	-	78,046
Due to related parties	34,000	-	34,000
	112,046	-	112,046
Shareholders' equity			
Share capital	1,519,975	-	1,519,975
Warrants	158,357	-	158,357
Contributed surplus	20,440	(20,440)	-
Reserve for share-based payments	-	20,440	20,440
Accumulated deficit	(1,614,217)	-	(1,614,217)
	84,555	-	84,555
	196,601	-	196,601

(Expressed in Canadian Dollars)

The November 30, 2011 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

		November 30, 2011	
	Canadian GAAP ($)	**Effect of transition to IFRS**	**IFRS ($)**
Assets			
Current assets			
Cash	100,426	-	100,426
Sundry receivables and prepaids	65,792	-	65,792
	166,218	-	166,218
Advances to related party	265,265	-	265,265
Property and equipment	26,275	-	26,275
Oil and gas interests	1	-	1
Mining properties and expenditures	2,244,930	-	2,244,930
	2,702,689	-	2,702,689
Current liabilities			
Accounts payable and other liabilities	160,806	-	160,806
Due to related parties	84,871	-	84,871
	245,677	-	245,677
Shareholders' equity			
Share capital	2,645,231	106,963	2,752,194
Warrants	1,992,996	-	1,992,996
Contributed surplus	306,304	(306,304)	-
Reserve for share-based payment	-	306,304	306,304
Accumulated deficit	(2,487,519)	(106,963)	(2,594,482)
	2,457,012	-	2,457,012
	2,702,689	-	2,702,689

(Expressed in Canadian Dollars)

The Canadian GAAP statement of loss and comprehensive loss for the year ended November 30, 2011 has been reconciled to IFRS as follows:

		November 30, 2011	
	Canadian GAAP ($)	**Effect of transition to IFRS**	**IFRS ($)**
Operating expenses			
Amortization	7,628	-	7,628
Directors fees	51,500	-	51,500
General and administrative	75,921	-	75,921
Management fees	290,917	-	290,917
Professional fees	38,627	-	38,627
Rent and occupancy costs	82,500	-	82,500
Salaries and benefits	145,025	-	145,025
Shareholder services and public company costs	163,583	-	163,583
Stock based compensation	124,564	-	124,564
Loss before taxes	(980,265)	-	(980,265)
Future tax recovery	106,963	(106,963)	-
Net loss and comprehensive loss for the year	(873,302)	-	(980,265)
Basic and net loss per share	(0.04)	-	(0.04)
Weighted average number of common shares outstanding	23,924,105	-	23,924,105

(Expressed in Canadian Dollars)

The Canadian GAAP statement of cash flows for the year ended November 30, 2011 has been reconciled to IFRS as follows:

	Canadian GAAP ($)	November 30, 2011 Effective of Transition to IFRS	IFRS ($)
Cash provided by (used in) operating activities			
Net loss for the period	(873,302)	(106,963)	(980,265)
Share based payments	124,564	-	124,564
Depreciation (note 9)	7,628	-	7,628
Future income tax recovery	(106,963)	106,963	-
Changes in non-cash working capital items			
Sundry receivables	(64,776)	-	(64,776)
Accounts payable	82,760	-	82,760
Due to related parties	50,871	-	50,871
	(779,218)	-	(779,218)
Cash provided by (used in) investing activities			
Advances to related party	(195,831)	-	(195,831)
Acquisition of property and equipment	(33,903)	-	(33,903)
Acquisition of mining properties	(33,336)	-	(33,336)
Mining property exploration expenses	(1,203,093)	-	(1,203,093)
	(1,466,163)	-	(1,466,163)
Cash provided by (used in) financing activities			
Share capital	2,319,658	-	2,319,658
Increase (decrease) in cash and cash equivalents	74,277	-	74,277
Cash and cash equivalents, beginning of the year	26,149	-	26,149
Cash and cash equivalents, end of the year	**100,426**	**-**	**100,426**