AUGUSTINE VENTURES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED AUGUST 31, 2012

(UNAUDITED – PREPARED BY MANAGEMENT)

Notice to Reader

Under National Instrument 51-102, Part 4, paragraph 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AUGUSTINE VENTURES INC.

Condensed Interim Statement of Financial Position

(Expressed in Canadian Dollars)
(Unaudited)

	As at August 31 2012	As at November 30 2011 (note 18)
ASSETS		
Current		
Cash and cash equivalents	$ 13,414	$ 100,426
Sundry receivables and prepaids (note 7)	39,294	65,792
	52,708	166,218
Advances to related party (note 8)	235,179	265,265
Property and equipment (note 9)	115,864	26,275
Oil and gas interests (note 10)	1	1
Mining properties and expenditures (note 11)	2,422,806	2,244,930
	$ 2,826,558	$ 2,702,689
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 185,681	$ 160,806
Due to related parties (note 8)	224,183	84,871
	409,864	245,677
SHAREHOLDERS' EQUITY		
Share capital (note 12)	2,844,115	2,645,231
Warrants (note 12)	2,301,638	1,992,996
Contributed surplus (note 12)	648,788	306,304
Deficit	(3,377,847)	(2,487,519)
	2,416,694	2,457,012
	$ 2,826,558	$ 2,702,689

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

Approved by the Board:

"Robert Dodds" Director

"G. Michael Newman" Director

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

AUGUSTINE VENTURES INC.
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	3 months ended		9 months ended	
	August 31 2012	August 31 2011 (note 18)	August 31 2012	August 31 2011 (note 18)
Expenses				
Depreciation (note 9)	$ 1,970	$ 2,580	$ 5,911	$ 4,801
Directors fees (note 8)	16,500	11,500	50,000	35,000
General and administrative	9,957	10,103	39,055	64,849
Management fees (note 8)	76,750	64,750	221,250	176,167
Professional fees	5,000	5,259	18,540	13,627
Rent and occupancy costs (note 8)	25,701	22,500	70,701	60,000
Salaries and benefits	35,918	60,788	105,149	117,100
Shareholder services and public company costs	8,880	66,202	60,609	123,660
Share based payments (note 13)	14,040	-	326,650	58,725
Less: interest income (note 8)	(7,537)	-	(7,537)	-
Net loss and comprehensive loss for the period	$ (187,179)	$ (243,682)	$ (890,328)	$ (653,929)
Loss per common share (basic and fully diluted) (note 14)	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding (note 14)	32,076,790	26,623,801	31,184,972	22,436,516

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

AUGUSTINE VENTURES INC.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars)
(Unaudited)

	9 months ended August 31 2012	9 months ended August 31 2011
Cash provided by (used in) operating activities		
Net loss and comprehensive loss for the period	$ (890,328)	$ (653,929)
Share based payments	326,650	58,725
Depreciation (note 9)	5,911	4,801
Changes in non-cash working capital items		
Sundry receivables	26,498	(148,374)
Accounts payable	24,875	(35,730)
Due to related parties	139,312	23,000
	(367,082)	(751,507)
Cash provided by (used in) investing activities		
Advances to related party	30,086	(145,716)
Acquisition of property and equipment	(95,500)	(32,005)
Acquisition of mining properties	(35,534)	-
Mining property exploration expenses	(142,342)	(1,065,046)
	(243,290)	(1,242,767)
Cash provided by (used in) financing activities		
Share capital	523,360	2,315,657
Increase (decrease) in cash and cash equivalents	(87,012)	321,383
Cash and cash equivalents, beginning of the period	100,426	26,149
Cash and cash equivalents, end of the period	$ 13,414	$ 347,532
Cash and cash equivalents consists of:		
Cash	$ 3,414	$ 337,532
Short-term investments	10,000	10,000
	$ 13,414	$ 347,532
Supplementary information:		
Interest paid	$ -	$ -
Income taxes paid	-	-
Issuance of shares for acquistion of mining properties	-	406,000

AUGUSTINE VENTURES INC.

Condensed Interim Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)
(Unaudited)

	9 months ended August 31 2012	August 31 2011
Common share capital		
Balance, beginning of the period	$ 2,645,231	$ 1,519,975
Issued for cash	530,000	2,550,000
Issued for mining properties	-	406,000
Exercise of stock options	25,000	10,000
Fair value of stock options exercised	5,506	-
Costs of issue - cash	(31,640)	(390,409)
Costs of issue - compensation options	(21,340)	-
Warrant valuation on private placements	(308,642)	(1,325,561)
Balance, end of the period	2,844,115	2,770,005
Warrants		
Balance, beginning of the period	1,992,996	158,357
Warrant valuation on private placements	308,642	1,325,561
Balance, end of the period	2,301,638	1,483,918
Contributed surplus		
Balance, beginning of the period	306,304	20,440
Share based payments	326,650	58,725
Fair value of compensation options	21,340	146,066
Fair value of stock options exercised	(5,506)	-
Balance, end of the period	648,788	225,231
Deficit		
Balance, beginning of the period	(2,487,519)	(1,614,217)
Net loss for the period	(890,328)	(653,929)
Balance, end of the period	(3,377,847)	(2,268,146)
Total shareholders' equity	$ 2,416,694	$ 2,211,008

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 56 Temperance Street, Suite 1000, Toronto, Ontario, Canada, M5H 3V5.

2. Basis of preparation

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

These are the Company’s third interim financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). For the fiscal year ended November 30, 2011 and for fiscal periods prior thereto, 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” ("IFRS 1"), explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company are presented in note 18.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim financial statements. They also have been applied in preparing an opening IFRS statement of financial position at December 1, 2010 (note 19) for the purposes of the transition to IFRS, as required by IFRS 1.

These unaudited condensed interim financial statements have been prepared on the basis of IFRS standards that are expected to be effective on November 30, 2012, the Company's first annual reporting date under IFRS. The Company has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ended November 30, 2012.

The unaudited condensed interim financial statements of the Company for the nine months ended August 31, 2012 were authorized for issue by the Board of Directors on October 24, 2012.

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 August 31, 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 balance sheet classifications that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets to fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included herein.

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 profit or 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 profit or loss during the financial period in which they are incurred.

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 profit or loss.

Depreciation is recognized in profit or 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
Vehicle	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.

Asset retirement obligations

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. As at August 31, 2012 and 2011, the asset retirement obligation was $nil.

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

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available for sale investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment on financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

Financial liabilities are classified as other financial liabilities based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. 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.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade 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 options 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

The Company may, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognised as other income and the related deferred tax is recognized as a tax provision.

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 XII.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

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010. 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, 2013.

(ii) *IFRS 11 Joint Arrangements* (“IFRS 11”) - was issued by the IASB in May 2011 and will replace *IAS 31 Interests in Joint Ventures* and *SIC Interpretation 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. IFRS 11 is effective for annual period beginning on or after January 1, 2013.

(iii) *IFRS 12 Disclosure of Interests in Other Entities* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

(iv) *IFRS 13 Fair Value Measurement* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

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 unaudited condensed interim 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 defects;

(Expressed in Canadian Dollars)

(iv) the estimated useful lives and residual value of property and equipment which are included in the unaudited condensed interim 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;

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

(vii) management's assumption that no material restoration, rehabilitation and environmental provisions were necessary, based on the facts and circumstances that existed during the period; and

(viii) management's position that there is no income tax considerations required within these unaudited condensed interim financial statements.

5. Financial instruments and risk exposures

The Company's financial instruments consist of cash and cash equivalents and investment in marketable securities, accounts payable and other liabilities and notes payable.

The fair value measurement of assets and liabilities recognized on the balance sheet 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 prepaids and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments. The advances to related party are non interest bearing and are due on demand and the amounts due to related parties are non-interest bearing with 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:

August 31, 2012	**Other liabilities ($)**	**Loans and receivables ($)**	**Assets/(liabilities) at fair value through profit/loss ($)**	**Available for sale financial assets ($)**	**Total ($)**
Cash and cash equivalents	-	-	13,414	-	13,414
Sundry receivables and prepaids	-	39,294	-	-	39,294
Advances to related party	-	234,967	-	-	234,967
Accounts payable and accrued liabilities	185,681	-	-	-	185,681
Due to related parties	224,183	-	-	-	224,183

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 August 31, 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.

(Expressed in Canadian Dollars)

6. Capital management

The Company monitors its cash, common shares, warrants, compensation options and stock options as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business. The Company's primary source of funds comes from equity financing through private placements. The Board of Directors does not establish quantitative return on capital criteria.

There were no changes in the Company's approach to capital management during the period ended August 31, 2012. The Company is not subject to any externally imposed capital requirements.

7. Sundry receivables and prepaids

	As at August 31, 2012 ($)	As at November 30, 2011 ($)
Harmonized sales tax recoverable	18,575	24,357
Sundry receivables and advances	10,284	36,143
Prepaid expenses	10,435	5,292
	39,294	65,792

8. Related party transactions and balances

During the period ended August 31, 2012, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued fees to its senior officers totaling $221,250 (2011 - $176,167). Included in due to related parties are amounts of $114,683 (year ended November 30, 2011 - $33,371) 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 $50,000 (2011 - $35,000) to directors of the Company for their services as directors. Included in due to related parties are amounts of $109,500 (year ended November 30, 2011 - $51,500) 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) Key management personnel compensation during the nine month period is comprised of:

	August 31, 2012 ($)	August 31, 2011 ($)
Management and directors' fees	271,250	211,167
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	230,372	30,079

(Expressed in Canadian Dollars)

(d) 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 11 - Mining properties and expenditures). 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.

The Company and Delta are related due to a common director, officers, shareholders and that Delta holds greater than 10% of the issued and outstanding common shares of the Company.

(e) 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 current rate of $10,701 per month. The office obligation is until July 31, 2012, 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 17 - commitments).

(f) 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 (g) below).

(g) The Company extended a demand loan to Delta and as at May 31, 2012, the amount of $307,415 (year ended 2011 - $265,265) was due and receivable to the Company on that date. The 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 acknowledges Augustine's loans to Delta. The Note bears interest at the rate of 12% per annum and is repayable on demand. The principal and accrued interest payable under the Note is secured by a pledge by Delta with a first priority of 3,810,000 common shares of Augustine held by Delta.

As at August 31, 2012, the balance of the Note was comprised as follows:

	Amounts ($)
Principal	227,642
Accrued interest	7,537
Balance	235,179

Subsequent to the period ended August 31, 2012, the Company received additional payments from Delta against the Note (see note 18 - subsequent events).

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)

9. 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, August 31, 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 period	-	-	2,329	3,582	5,911
Balance, August 31, 2012	-	-	5,335	8,204	13,539
Carrying amounts:					
At November 30, 2011	-	-	10,352	15,923	26,275
At August 31, 2012	65,500	5,000	28,023	17,341	115,864

10. Oil and gas interests

The Company holds a 75% interest in certain oil and gas leases located in Camden Core 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.

11. Mining properties and expenditures

As at August 31, 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	36,403	-	-	36,403
Exploration costs	142,342	-	-	142,342
Balance, August 31, 2012	1,952,805	470,000	1	2,422,806

(Expressed in Canadian Dollars)

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.

The following table summarizes the Company's requirements 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 *		250,000	1,500,000
February 1, 2013	35,000 **		
November 10, 2013		250,000	2,000,000
November 10, 2014			4,000,000
		1,000,000	8,000,000

* Subsequent to the period ended August 31, 2012, the requirement to spend an additional $1,500,000 in exploration expenditures (for a cumulative total of $2,000,000) was extended to June 30, 2013 (see note 18 - Subsequent events).

** Payable in U.S. Funds

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.

12. 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.

(Expressed in Canadian Dollars)

The following is a summary of changes in common share capital from December 1, 2010 to August 31, 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 options		(164,796)
	Future tax on flow through share renunciation		(106,963)
November 30, 2011	Balances	29,251,790	2,645,231
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
	Fair value of options exercised		5,506
	Warrant valuation		(308,642)
	Costs of issue - cash		(31,640)
	Costs of issue - compensation options		(21,340)
August 31, 2012	Balances	32,576,790	2,844,115

(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 consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists of one common share and one common share purchase warrant. Each of these warrants 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 $766,325 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 190%; risk-free interest rate of 1.66%, exercise price of $0.40 per share and an expected life of 2 years. As a result of this private placement, the Company paid cash commissions of $98,400 plus other cost reimbursements and issued 492,000 compensation options (see "Compensation options summary" below).

(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 consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists 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. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 180%; risk-free interest rate of 1.88%, exercise price of $0.40 per share and an expected life of 2 years. As a result of this private placement, the Company paid cash commissions of $62,400 plus

other cost reimbursements and issued 312,000 compensation options (see "Compensation options summary" below).

(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 consists of one common share and one half common share purchase warrant, and each Non Flow Through Unit consists 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. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 172%; risk-free interest rate of 1.68%, exercise price of $0.40 per share and an expected life of 2 years. As a result of this private placement, the Company paid cash commissions of $43,200 plus other cost reimbursements and issued 216,000 compensation options (see "Compensation options summary" below).

(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 60,000 Non Flow Through Units and 322,500 Flow Through Units. Each Non Flow Through Unit consists of one common share and one 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. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 190%; risk-free interest rate of 1.66%, exercise price of $0.40 per share and an expected life of 2 years.

(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 consists of one common share and one 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. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 180%; risk-free interest rate of 1.88%, exercise price of $0.40 per share and an expected life of 2 years.

(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 consists of one common share and one 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. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 172%; risk-free interest rate of 1.68%, exercise price of $0.40 per share and an expected life of 2 years.

(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 11).

(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 13).

(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 consists 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 $145,085 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity. The

(Expressed in Canadian Dollars)

assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 175%; risk-free interest rate of 0.97%, exercise price of $0.50 per share and an expected life of 2 years. As a result of this private placement the Company paid cash commissions of $10,500 and issued 52,500 compensation options (see "Compensation options summary" below).

(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 consists 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 $163,557 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity. The assumptions used for the valuation of the warrants are: dividend yield 0%; expected volatility 175%; risk-free interest rate of 1.55%, exercise price of $0.25 per share and an expected life of 4 years. As a result of this private placement the Company paid cash commissions of $21,140 and issued 80,000 compensation options (see "Compensation options summary" below).

(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.

Warrants summary

The Company issued warrants in connection with private placements and is disclosed as a separate component of shareholders' equity. The following summarizes changes in warrants from December 1, 2010 to August 31, 2012:

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Nov. 1, 2010	Nov. 1, 2012	0.20	2,639,290	-	-	-	2,639,290
Dec. 22, 2010	Dec. 22, 2012	0.40	-	5,075,000	-	-	5,075,000
Feb. 8, 2011	Feb. 8, 2013	0.40	-	3,512,500	-	-	3,512,500
Mar. 23, 2011	Mar. 23, 2013	0.40	-	2,300,000	-	-	2,300,000
Apr. 27, 2011	Apr. 27, 2013	0.40	-	761,250	-	-	761,250
June 13, 2011	June 13, 2013	0.40	-	526,875	-	-	526,875
July 28, 2011	July 28, 2013	0.40	-	345,000	-	-	345,000
Dec. 29, 2011	Dec. 29, 2013	0.50	-	1,075,000	-	-	1,075,000
Mar. 22, 2012	Mar. 21, 2016	0.25	-	1,000,000	-	-	1,000,000
			2,639,290	14,595,625	-	-	17,234,915
Weighted average exercise price ($)			0.20	0.40	-	-	0.37

(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	0.20	0.10	1.41	147	2	0	158,357
Dec. 22, 2010	Dec. 22, 2012	0.40	0.20	1.66	190	2	0	766,326
Feb. 8, 2011	Feb. 8, 2013	0.40	0.20	1.88	188	2	0	509,313
Mar. 23, 2011	Mar. 23, 2013	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	76,397
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	0.20	0.97	175	2	0	145,085
Mar. 22, 2012	Mar. 21, 2016	0.25	0.18	1.55	175	4	0	163,556
								2,301,638

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.

Contributed surplus summary

	Amounts ($)
Balance, November 30, 2010	20,440
Stock option compensation (note 13)	124,564
Fair value of compensation options (note 13)	164,796
Fair value of stock options exercised	(3,496)
Balance, November 30, 2011	306,304
Stock option compensation	326,650
Fair value of compensation options	21,340
Fair value of stock options exercised	(5,506)
Balance, August 31, 2012	648,788

13. 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.

(Expressed in Canadian Dollars)

As at August 31, 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 five (5) 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 options granted

The following summarizes changes in stock options from December 1, 2010 to August 31, 2012:

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
Nov. 24, 2009	Nov. 24, 2014	0.10	367,196	-	(133,598)	(143,598)	90,000	90,000	-
Nov. 10, 2010	Nov. 11, 2012	0.10	491,402	-	(256,402)	(50,000)	185,000	185,000	-
Apr. 25, 2011	Apr. 1, 2013	0.20	-	865,000	-	(95,000)	770,000	770,000	-
Jan. 12, 2012	Oct. 1, 2013	0.20	-	1,055,000	-	(110,000)	945,000	945,000	-
Jan. 12, 2012	Jan. 1, 2014	0.20	-	527,500	-	(55,000)	472,500	381,664	90,836
Jan. 12, 2012	June 1, 2014	0.20	-	1,030,000	-	-	1,030,000	510,001	519,999
			858,598	3,477,500	(390,000)	(453,598)	3,492,500	2,881,665	610,835
Weighted average exercise price ($)			0.10	0.20	0.10	0.16	0.19	0.19	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 of Vested Options ($)
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	147,447
Jan. 12, 2012	Oct. 1, 2013	0.20	0.20	0.99	175	1.72	0	158,473
Jan. 12, 2012	Jan. 1, 2014	0.20	0.20	0.99	175	1.89	0	67,495
Jan. 12, 2012	June 1, 2014	0.20	0.20	0.99	175	2.39	0	84,210

Compensation options summary

The Company issued compensation options in connection with private placements (see note 12 - share capital and reserves). The following summarizes changes in compensation options granted from December 1, 2010 to

(Expressed in Canadian Dollars)

August 31, 2012:

Issue Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Dec. 22, 2010	note (a)	0.20	-	492,000	-	-	492,000
Feb. 8, 2011	note (a)	0.20	-	312,000	-	-	312,000
Mar. 23, 2011	note (a)	0.20	-	216,000	-	-	216,000
Dec. 29, 2011	Dec. 29, 2013	0.20	-	52,500	-	-	52,500
Mar. 22, 2012	Mar. 21, 2016	0.25	-	80,000	-	-	80,000
			-	1,152,500	-	-	1,152,500
Weighted average exercise price ($)			-	0.20	-	-	0.20

For valuation purposes, the fair values of compensation options 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	0.20	0.97	175	2	0	8,255
Mar. 22, 2012	Mar. 21, 2016	0.25	0.18	1.55	175	4	0	13,084

(a) In addition to the cash commissions paid in items (1), (2) and (3) described in note 12 - common shares summary, the Company issued at arm's length an aggregate of 1,020,000 compensation options. Each compensation option 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").

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 historic volatility (based on the remaining life of the stock and compensation options), adjusted for any expected changes to future volatility due to publicly available information.

14. Basic and diluted loss per share

Basic loss per share amounts are calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period.

(Expressed in Canadian Dollars)

	August 31, 2012	August 31, 2011
Loss attributable to common shareholders	$ 890,328	$ 653,929
Weighted average number of common shares	31,184,972	22,436,516
Basic and diluted loss per share	$ 0.03	$ 0.03
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	-	3,734,015
Effect of common shares issued for private placements	1,714,091	10,504,817
Effect of stock options exercised	219,091	58,394
	31,184,972	22,436,516

The basic and diluted loss per share are the same as the outstanding options and warrants are anti-dilutive. Subsequent to the period ended August 31, 2012 (see note 18 - subsequent events), the Company agreed to issue an additional 500,000 common shares to the original optionor of the Company's Wawa property and had also issued convertible promissory notes which may result in the issuance of common shares. These transactions, which occurred between the reporting date and the date of completion of these financial statements, will therefore have an impact on the future number of common shares outstanding.

15. 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.

16. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted as at August 31, 2012.

17. Commitments

Office lease

Effective August 1, 2012, 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. The office obligation is 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. The Company is now committed to operating lease base rent payments on its office space as follows:

	Amount ($)
Year ended November 30, 2012	32,103
Year ended November 30, 2013	85,608
	117,711

Wawa property

Pursuant to the acquisition agreements of the Surluga property in 2010, (see note 11 - mining properties and expenditures), the Company has the following remaining commitments to earn its 60% interest in the property as follows:

Due dates	Cash payments ($)	Common shares to be issued	Exploration expenditures ($)
November 10, 2012 *		250,000	1,500,000
February 1, 2013	35,000 **		
November 10, 2013		250,000	2,000,000
November 10, 2014			4,000,000
	35,000 **	500,000	7,500,000

* Subsequent to the period ended August 31, 2012, the requirement to spend an additional $1,500,000 in exploration expenditures (for a cumulative total of $2,000,000) was extended to June 30, 2013 (see note 18 - subsequent events).

** Payable in U.S. Funds

18. Subsequent events

Convertible promissory notes

Subsequent to the period ended August 31, 2012, the Company received an aggregate of $48,000 (the “Principal”) in loans. The loans are evidenced by convertible promissory notes (the “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 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 of the private placement(s).

One of the 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 Notes totaling $35,000 are being held by two holders who are arm's length parties to the Company.

Amendments to Surluga Property Agreements

Subsequent to the period ended August 31, 2012, the Company entered into an Amending Agreement with Citabar Limited Partnership ("Citabar") and Delta whereby 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 has agreed to issue an additional 500,000 common shares in the capital of the Company to Citabar.

Secured Promissory Note with Delta Uranium Inc.

Subsequent to the period ended August 31, 2012, the Company received the amount of $171,030 against the Note. As at October 24, 2012, the balance of $68,002 was due and payable by Delta to the Company.

19. Conversion to IFRS

The Company's financial statements for the year ending November 30, 2012 will be the first annual financial statements that comply with IFRS and these condensed interim financial statements were prepared as described in note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in those financial statements of compliance with IFRS. The Company will make this statement when it issues its 2012 annual financial statements.

IFRS 1 also 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 adopters.

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from 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) *IAS 27 Consolidated and Separate Financial Statements* - In accordance with IFRS 1, if a Company elects to apply IFRS 3 *Business Combinations* retrospectively, *IAS 27 Consolidated and Separate Financial Statements* must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

(iii) *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.

(iv) *Compound Financial Instruments* - The Company elected not to retrospectively separate the liability and equity components of compound instruments for which the liability component is no longer outstanding at the date of the transition to IFRS.

(v) *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.

(Expressed in Canadian Dollars)

Mandatory exceptions

(a) *Derecognition of Financial Assets and Liabilities* - The Company has applied the derecognition requirements in IAS 39 Financial Instruments: Recognition and Management prospectively from the Transition Date. As a result, any non-derivative financial assets or non derivative financial liabilities derecognized prior to the Transition Date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39

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

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income have not resulted in reclassifications of various amounts on the statements of cash flows; as there have been no changes to the net cash flows, no reconciliations have been presented.

For the periods ended August 31, 2012, August 31, 2011 and the year ended November 30, 2011, the adoption of IFRS had no impact on the Company's financial performance and cash flows.

The August 31, 2011 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

		August 31, 2011	
	Canadian GAAP ($)	**Effect of transition to IFRS**	**IFRS ($)**
Assets			
Current assets			
Cash and cash equivalents	347,532	-	347,532
Sundry receivables and prepaids	149,390	-	149,390
	496,922	-	496,922
Due from related party	215,150	-	215,150
Property and equipment	27,204	-	27,204
Oil and gas interests	1	-	1
Mining properties and expenditures	1,571,047	-	1,571,047
	2,310,324	-	2,310,324
Current liabilities			
Accounts payable and accrued liabilities	42,316	-	42,316
Due to related parties	57,000	-	57,000
	99,316	-	99,316
Shareholders' equity			
Share capital	2,770,005	-	2,770,005
Warrants	1,483,918	-	1,483,918
Contributed surplus	225,231	-	225,231
Accumulated deficit	(2,268,146)	-	(2,268,146)
	2,211,008	-	2,211,008
	2,310,324	-	2,310,324

(Expressed in Canadian Dollars)

The Canadian GAAP statement of loss and comprehensive loss for the three and nine month periods ended August 31, 2011 have been reconciled to IFRS as follows:

	3 months ended August 31, 2011		
	Canadian GAAP ($)	Effect of transition to IFRS	IFRS ($)
Operating expenses			
Depreciation	2,580	-	2,580
Directors fees	11,500	-	11,500
General and administrative	10,103	-	10,103
Management fees	64,750	-	64,750
Professional fees	5,259	-	5,259
Rent and occupancy costs	22,500	-	22,500
Salaries and benefits	60,788	-	60,788
Shareholder services and public company costs	66,202	-	66,202
Share based payments	-	-	-
Net loss and comprehensive loss for the period	(243,682)	-	(243,682)
Basic and net loss per share	(0.01)	-	(0.01)
Weighted average number of common shares outstanding	26,623,801		26,623,801

	9 months ended August 31, 2011		
	Canadian GAAP ($)	Effect of transition to IFRS	IFRS ($)
Operating expenses			
Depreciation	4,801	-	4,801
Directors fees	35,000	-	35,000
General and administrative	64,849	-	64,849
Management fees	176,117	-	176,117
Professional fees	13,627	-	13,627
Rent and occupancy costs	60,000	-	60,000
Salaries and benefits	117,100	-	117,100
Shareholder services and public company costs	123,660	-	123,660
Share based payments	58,725	-	58,725
Net loss and comprehensive loss for the period	(653,929)	-	(653,929)
Basic and net loss per share	(0.03)	-	(0.03)
Weighted average number of common shares outstanding	22,436,516		22,436,516