

The Financial Statements of



(An Exploration Stage Enterprise)

September 30, 2013 and 2012



(An Exploration Stage Enterprise)
September 30, 2013 and 2012
(Expressed in Canadian Dollars)

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Management's Responsibility for Financial Reporting

The accompanying financial statements of McLaren Resources Inc. were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

The Board of Directors exercises its responsibilities through the Audit Committee of the Board which meets to satisfy itself that management's responsibilities are properly discharged and with the external auditors to review the financial statements before they are presented to the Board of Directors for approval.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Audit Committee has met with the Company's independent auditor to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to recommending the financial statements be approved.

The Company's independent auditor, MSPartners LLP, have conducted an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

Ivan Buzbuzian
President

David McDonald
Chief Financial Officer

January 23, 2014

INDEPENDENT AUDITORS' REPORT

To the shareholders of McLaren Resources Inc.

We have audited the accompanying financial statements of MCLAREN RESOURCES INC. (the "Company"), which comprise the balance sheet as at September 30, 2013, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 audit 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 MCLAREN RESOURCES INC. as at September 30, 2013 and its results of operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 1 in the financial statements which indicate the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The financial statements of MCLAREN RESOURCES INC. as at September 30, 2012 and for the year then ended were audited by another firm of auditors who provided an opinion without reservation in their report dated December 13, 2012.

MS Partners LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
January 23, 2014



(An Exploration Stage Enterprise)
Statements of Financial Position
 (Expressed in Canadian Dollars)

As at,		September 30, 2013	September 30, 2012
	Note	\$	\$
Assets			
Current			
Cash and cash equivalents	4	75,395	530,072
Marketable securities	5	13,375	53,000
Amounts receivable	6	8,831	34,386
Prepaid expenses	7	6,059	568
		103,660	618,026
Liabilities and Shareholders' Deficiency			
Current liabilities			
Accounts payable and accrued liabilities	10,11	80,415	139,416
Flow-through share premium liability		885	-
		81,300	139,416
Shareholders' deficiency			
Capital stock	12(b)	5,760,321	5,610,871
Warrants	12(c)	28,300	28,050
Contributed surplus	13	683,598	655,548
Deficit		(6,449,859)	(5,815,859)
		22,360	478,610
		103,660	618,026

Nature of Operations and Going Concern (Note 1)

Commitments and Contractual Obligations (Notes 9)

On behalf of the Board of Directors on January 23, 2014;

"Iran Buzbuzian" (signed)
 Director

"Michael Meredith" (signed)
 Director

The accompanying notes form an integral part of these financial statements



(An Exploration Stage Enterprise)

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended,	September 30, 2013	September 30, 2012
	\$	\$
Management fees	180,000	195,000
Office, general and administrative	89,445	111,502
Consulting fees	77,000	161,883
Investor relations	29,435	103,005
Directors' fees	24,026	30,000
Professional fees	20,029	57,018
Licenses, taxes and fees	1,253	2,834
Share-based compensation	-	6,331
Amortization	-	787
Exploration & evaluation expenditures	182,302	465,391
	603,490	1,133,751
Flow-through share premium recovery	9,115	75,777
Net Loss from operations	(594,375)	(1,057,974)
Other (income) expense		
Expired rights	-	(1)
Gain on sale of North Sea Leases	-	100,000
Gain on sale of marketable securities	-	37,530
Loss in value of marketable securities held for trading	(39,625)	(49,744)
	(39,625)	87,785
Net loss and comprehensive loss for the year	(634,000)	(970,189)
Loss per share		
Weighted average number of shares- basic and diluted	26,602,038	24,240,582
Net loss per share-basic and fully diluted	(0.02)	(0.04)

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(An Exploration Stage Enterprise)

Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of Shares	Amount \$	Warrants \$	Contributed Surplus \$	Accumulated deficit \$	Total \$
Balance at September 30, 2011	20,994,281	4,827,921	26,925	622,292	(4,845,670)	631,468
Private placements, net of issue costs	4,000,000	850,000	-	-	-	850,000
Shares issued for property	100,000	11,000	-	-	-	11,000
Warrants issued	-	(28,050)	28,050	-	-	-
Warrants expired	-	-	(26,925)	26,925	-	-
Flow-through share premium	-	(50,000)	-	-	-	(50,000)
Share based payments	-	-	-	6,331	-	6,331
Net loss for the year	-	-	-	-	(970,189)	(970,189)
Balance at September 30, 2012	25,094,281	5,610,871	28,050	655,548	(5,815,859)	478,610
Private placements, net of issue costs	2,000,000	187,750	-	-	-	187,750
Flow-through share premium	-	(10,000)	-	-	-	(10,000)
Warrants issued	-	(28,300)	28,300	-	-	-
Warrants expired	-	-	(28,050)	28,050	-	-
Net loss for the year	-	-	-	-	(634,000)	(634,000)
Balance at September 30, 2013	27,094,281	5,760,321	28,300	683,598	(6,449,859)	22,360

The accompanying notes form an integral part of these financial statements



(An Exploration Stage Enterprise)
Statements of Cash Flows

(Expressed in Canadian Dollars)

	2013	2012
For the years ended September 30,	\$	\$
Operating		
Net loss for the year	(634,000)	(970,189)
Items not affecting cash		
Amortization	-	787
Common shares issued for advisory services	-	11,000
Share-based compensation	-	6,331
Expired rights	-	1
Gain on sale on North Sea Leases	-	(100,000)
Gain on sale of marketable securities	-	(37,530)
Loss on value of marketable securities	39,625	49,744
Flow through share premium recovery	(9,115)	(75,777)
	(603,490)	(1,115,633)
Decrease in amounts receivable	25,555	36,776
(Increase) Decrease in prepaid expenses	(5,491)	7,098
(Decrease) Increase in accounts payable and accrued liabilities	(59,001)	102,646
Net changes in non-cash working capital balances:	(38,937)	146,520
Cash and cash equivalents used in operating activities	(642,427)	(969,113)
Investing		
Proceeds from sale of North Sea Leases	-	100,000
Proceeds from sale of securities	-	120,287
	-	220,287
Financing		
Proceeds from issuance of common shares	200,000	850,000
Share issue costs	(12,250)	
	187,750	850,000
Net (decrease) increase in cash position	(454,677)	101,174
Cash and cash equivalents, beginning of year	530,072	428,898
Cash and cash equivalents, end of year	75,395	530,072
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash and cash equivalents paid for:		
Interest paid	\$ -	\$ 700
Income taxes	\$ 1,253	\$ 1,310

The accompanying notes form an integral part of these financial statements



(An Exploration Stage Enterprise)
Notes to the financial statements
September 30, 2013 and 2012
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

McLaren Resources Inc. (CNSX:MCL) (the "Company") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company's head office is located at 65 Queen St. W., Suite 520 Toronto, ON, M5H 2M5.

On September 26, 2011, the Company announced it had entered into an option agreement with Red Mile Minerals Corp. whereby Red Mile has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ-Extension") which is owned 100% by the Company. Upon completion of the option agreement the Company and Red Mile will each own 50% of the entire Blue Quartz BQ-Extension Property package.

On November 7, 2011 the Company signed a binding Letter of Intent ("LOI") with TimGinn Exploration Limited ("TimGinn") to earn 60% in a past producing gold Property located in the heart of the Timmins Gold Camp and adjacent to Goldcorp's Hollinger and McIntyre mines (Note 8).

The Company is currently pursuing gold exploration in Ontario and will continue to source and evaluate gold exploration ventures within Canada.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. As at September 30, 2013, the Company has been incurring losses and has an accumulated deficit of \$6,449,859 (2012 - \$5,815,859). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. Management intends to obtain further financing through the issuance of flow through shares and private placements. While management has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent on future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on January 23, 2014. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, 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. The comparative figures presented in these financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is expressed in Canadian dollar.

(c) Use of estimates and judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and shareholders' equity at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the change in estimate occur and in any future periods affected.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets and mineral properties, the continuing viability of mineral property interests, fair value measurements for financial instruments, share-based payments, and other equity-based payments, the determination of reclamation obligations, the valuation allowance on deferred income tax assets, the value of the premium included in flow through share issuances and the estimated useful life and recoverability of equipment. Actual results may differ from those estimates and judgments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The policies applied in these financial statements are based upon IFRS issued and outstanding as of September 30, 2013.

(a) Exploration and Evaluation expenditures

Exploration expenditures typically include costs of prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at the exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration. Evaluation expenditures include the costs of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource of a proven probable reserve, (ii) determining the optimal methods of extraction and metallurgical and treatment processes, (iii) studies related to surveying, transportation and infrastructure requirements, (iv) permitting activities, and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, per-feasibility and final feasibility studies.

(b) Rehabilitation and Restoration

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. Provision for the rehabilitation and restoration is recorded when an obligation is incurred with a corresponding increase in related asset. At each date of the statement of financial position, the provision for rehabilitation and restoration is re-measured in line with changes in discount rates, timing and other costs to be incurred. The provision amount is periodically reviewed and updated based on the facts and circumstances available. As at September 30, 2013 the Company did not incur any rehabilitation and restoration obligation.

(c) Financial instruments

(i) Financial assets

Financial assets are classified into four categories: fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), loans and receivables and available-for-sale ("AFS").

• Fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in the statement of income (loss).

- Held-to-maturity (“HTM”)

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of income (loss).

- Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classified its financial assets which consisted of trade and other receivables as loans and receivables.

- Available-for-sale (“AFS”)

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

(ii) Financial liabilities

Financial liabilities are classified into one of two categories: fair value through profit or loss and other financial liabilities.

- Fair value through profit or loss

This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried on the statement of financial position at fair value, with the changes in fair value recognized in the statement of income (loss).

- Other financial liabilities

This category includes trade and other payables and due to related party, which are recognized at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, note payable, and other current liabilities. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Impairment of financial assets

The Company's financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and recorded in general and administrative expense. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through the statement of income (loss).

(c) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. Cash consists of cash on deposit with a major Canadian bank. Cash is designated as FVTPL and are carried at fair value.

(d) Marketable securities

Marketable securities include publicly traded equity shares and warrants which have been classified as held-for-trading and are carried at fair value based on quoted market prices. The increase or decrease in fair value is reported as income or loss.

(e) Prepaid expense

Prepaid expense represents advance payments made to vendors for expenses applicable to a future period. They include advance payment made to consultants and unexpired portion of insurance.

(f) Property and equipment

Property and equipment are carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of the property and equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rate, which is used to estimate the useful lives of the assets:

Computer and office equipment	20%
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An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(g) Evaluation and exploration expenditures

Evaluation and exploration expenditures are costs incurred to source a mineral property and determine technical feasibility and commercial viability of developing the project. Exploration costs typically include costs associated with sampling, drilling, geological surveys and other activities directed at confirmed gold mineral zones. Evaluation costs are directed at determining the feasibility and commercial viability of developing the claim.

Evaluation and exploration expenditures are charged to operations in the period until the Company determines that the development is technically feasible and commercially viable. At such point, expenditures are capitalized as mining interests.

(h) Decommissioning obligations

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows.

As at September 30, 2013, September 30, 2012, the Company has determined that it does not have material decommissioning obligations.

(i) Share Capital

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue. The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned nil value and included in capital stock with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as share-based payments.

(j) Share-based payments

The Company has a stock option plan. Share-based payments to officers and directors are measured at the fair value of the instruments issued and amortized over their respective vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in equity as the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The expected term to exercise is based upon historical data of the average hold period before exercise. Expected volatility is estimated with reference to the historical share price volatility of the Company's share price.

(k) Flow-through shares

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the value of common shares on the date of the transaction and is recorded as a deferred liability. The Company recognizes a pro-rata amount of the premium through the statement of loss and comprehensive loss as other income with a corresponding reduction to the deferred tax liability as the flow-through expenditures are incurred and renounced.

When the flow-through expenditures are incurred and renounced, the Company records the tax effect as a change to profit or loss and an increase to deferred income tax liabilities. To the extent that the Company has deferred income tax assets that were not recognized in previous periods, a deferred income tax recovery is recorded to offset the liability resulting from the renunciation.

(l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized in equity or in other comprehensive loss.

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 substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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 an assets or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change.

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 year 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.

(m) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the period ended September 30, 2013 and September 30, 2012, basic loss per share is equal to dilutive loss per share for the periods presented.

(n) New accounting standards and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2013. The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements.

(An Exploration Stage Enterprise)

Notes to the financial statements

September 30, 2013 and 2012

(Expressed in Canadian Dollars)

IFRS 7 Financial Instruments require disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks from those financial statements, both in qualitative and quantitative terms.

IFRS 10, Consolidated financial statements will replace existing guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC 12 Consolidation - Special Purpose Entities.

IFRS 11, Joint Arrangement will replace IAS 31 Interests in Joint Ventures, and SIC 13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 12, Disclosures of Interests in Other Entities is the new Standard for disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associated and unconsolidated structured entities.

IFRS 13, Fair Value Measurement was issued to remedy the inconsistencies in the requirements for measuring fair value and for disclosing information about fair value measurement in various current IFRSs.

IFRS 16, Property, Plant and Equipment (PPE) outlines the accounting treatment for most types of property, plant and equipment. PPE is initially measured at cost, subsequently measured either using a cost of revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

IFRS 27, Separate Financial Statements has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.

IFRS 28, Investments in Associates and Joint Ventures has been revised and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee.

IFRS 32, Financial Instruments - presentation has been amended to clarify the treatment of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

The following Standard is effective for annual periods beginning on or after January 1, 2014. The Company is assessing the impact of this standard.

Amended IAS 32 Financial Instruments: Presentation has been updated to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

(ii) The following Standard is effective for annual periods beginning on or after January 1, 2015; however, the effective date has been deferred. The Company is assessing the impact of this standard.

IFRS 9 Financial Instruments was issued to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification and measurement of financial assets. IFRS 9 was subsequently reissued in October 2010, incorporating new requirements on accounting for financial liabilities.

4. CASH AND CASH EQUIVALENTS

The balance at September 30, 2013 consists of cash on deposit with a major Canadian bank in general interest-bearing accounts totaling \$75,395 (2012 - \$530,072).

5. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

	2013 \$	2012 \$
<u>Held-for-trading:</u>		
Shoal Point Energy common shares (200,000 shares @ \$0.045 per share)	9,000	18,000
Northern Gold Mining Inc. (formerly Victory Gold Mine Inc - common shares 250,000 shares) - common shares (125,000 shares @ \$0.03)	4,375	35,000
	13,375	53,000

On February 7, 2013 Northern Gold Mining Inc. purchased Victory Gold Mines Inc. in an all stock transaction with every two (2) Victory Gold Mines Inc. common shares being exchanged for (1) common share of Northern Gold Mining Inc.

The shares have been classified as held-for-trading.



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6. AMOUNTS RECEIVABLE

The Company's receivables includes harmonized services tax ("HST") due from the Canadian government and other receivables. These are broken down as follows:

	September 30, 2013	September 30, 2012
	\$	\$
HST receivable	8,021	34,386
Other receivable	810	-
Total amounts receivable	8,831	34,386

At September 30, 2013, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 16.

The Company holds no collateral for any receivable amounts outstanding as at September 30, 2013.

7. PREPAID EXPENSES

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. They include advance payment made to consultants for maintenance of Company's website, unexpired portion of insurance and a deposit on office rent.

8. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	September 30, 2013	September 30, 2012	September 30, 2012
	\$	\$	\$
Northern Ontario, Canada			
Blue Quartz			
Exploration and evaluation expenditures	-	-	212,273
BQ-Extension			
Exploration and evaluation expenditures	810	-	68,810
TimGinn			
Exploration and evaluation expenditures	181,492	451,803	633,295
Other properties			
Exploration and evaluation expenditures	-	13,588	13,588
	182,302	465,391	927,966



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Northern Ontario, Canada

Blue Quartz

On December 6, 2010, the "Company and Red Mile Minerals Corp., ("Red Mile") entered into an Option Agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property, with the Company having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid \$10,000 cash and issued 100,000 common shares with a deemed price of \$0.14 per share and is required to spend \$200,000 on exploration and development.

On July 26, 2011, the Company purchased additional property "BQ-Extension" from 2285944 Ontario Limited consisting of 8 unpatented claims totaling 240 hectares or approximately 600 acres for a purchase price of \$68,000.

During the calendar year ended December 31st, 2011, the Company completed the \$200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz property holding 25 patented mining claims. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz property, the Company has the right to purchase 50% (.05%) of the NSR from the predecessor companies for \$250,000.

On September 26, 2011, the Company entered into an option agreement with Red Mile whereby Red Mile has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ-Extension") which is owned 100% by the Company. The BQ-Extension property consists of 8 unpatented claims totaling 240 hectares or approximately 600 acres. Upon completion of the option agreement the Company and Red Mile will each own 50% of the entire Blue Quartz and BQ-Extension Property package.

TimGinn

On November 7, 2011 the Company announced that it had signed a binding Letter of Intent ("LOI") with TimGinn Exploration Limited to earn a 60% interest in a past producing gold property located in the heart of the Timmins Gold Camp adjacent to Goldcorp's Hollinger and McIntyre mines which have combined production of over 30 million ounces of gold to date.

The Company can earn a 50% interest in the property by incurring \$2 million of exploration expenditures by April 30, 2015 and an additional 10% interest by incurring an additional \$2 million in exploration expenditures by April 30, 2016 in order to earn a 60% interest for \$4 million in total exploration expenditures.

9. COMMITMENTS AND CONTINGENCIES:

The Company's operations were partly financed by the issuance of flow-through shares. However, there is no assurance that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. All flow-through funds raised to date, have been spent on qualified Canadian exploration expenditures in accordance with the Income Tax Act (Canada).



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10. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the years. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms. The Company has the following contractual maturities:

	September 30, 2013 \$	September 30, 2012 \$
3 - 6 months	80,415	139,416
6 - 9 months	-	-
9 - 12 months	-	-
Greater than 12 months	-	-
	80,415	139,416

11. RELATED PARTY TRANSACTIONS

- (a) During the year ended September 30, 2013, officers and directors of the Company and corporations related to them charged consulting and management fees \$220,100 (2012 - \$284,630). Included in accounts payable is \$66,187 (2012-\$15,000) relating to unpaid management and consulting fees.
- (b) During the year ended September 30, 2013, directors of the Company and corporations related to them charged director fees of \$24,026 (2012-\$30,000). Included in accounts payable is \$Nil (2012-\$Nil) relating to unpaid director fees.
- (c) During the year ended September 30, 2013, the Company was charged \$6,462 (2012-\$37,239) by a law firm of which an officer of the Company is a partner. Accounts payable owing to this law firm at September 30, 2013 is \$1,966 (2012-\$Nil).

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. CAPITAL STOCK

(a) Authorized

An unlimited number of one class of voting shares, designated common shares, with no par value.

(b) Issued and outstanding

	September 30, 2013		September 30, 2012	
	Number of shares	Amount \$	Number of shares	Amount \$
Beginning balance	25,094,281	5,610,871	20,994,281	4,827,921
Private placement (ii)	-	-	3,000,000	600,000
Issuance of warrants (ii)	-	-	-	(28,050)
Warrants issued	-	(28,300)	-	-
Private placement flow-through (i)	2,000,000	187,750	1,000,000	250,000
Stock issued for services (iii)	-	-	100,000	11,000
Flow-through share premium (iv)	-	(10,000)	-	(50,000)
Ending balance	27,094,281	5,760,321	25,094,281	5,610,871

During the year the following transactions occurred:

- (i) During the 1st quarter of 2013, the Company issued 2,000,000 common share units at \$0.10 per share unit; gross proceeds of \$200,000. Each unit consists of one common share and a half-warrant, with each full warrant being exercisable at \$0.20 per share for 18 months from the date of closing.

During the 1st quarter of 2012, the Company completed a non-brokered private placement of 1,000,000 flow-through common shares at a price of \$0.25 per share; gross proceeds of \$250,000.

- (ii) During the 1st quarter of 2012, the Company issued 3,000,000 common share units at \$0.20 per share unit; gross proceeds of \$600,000. Each unit consists of one common share and a half-warrant, with each full warrant being exercisable at \$0.30 per share for 18 months from the date of closing.
- (iii) On November 17, 2011, 100,000 common shares at a deemed price of \$0.11 per share were issued for advisory services.
- (iv) Flow-through premium of \$10,000 (2012 - \$50,000) is calculated based on the residual value of flow-through shares (excess of subscription price over closing price multiplied by the number of shares subscribed).



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c) Warrants:

In December of 2012, the Company issued 2,000,000 common share units consisting of one common share and a half-warrant, with each full warrant being exercisable at \$0.20 per share for 18 months from the date of closing. These warrants are outstanding as at September 30, 2013:

Date issued	Number of Warrants	Fair Value of Warrants \$	Exercise Price \$	Expiry Date
December 29, 2012	1,000,000	\$ 28,300	\$0.20	June 29, 2014
Totals	1,000,000	\$ 28,300		

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated on December 29th 2012, based on the following assumptions:

Risk free interest rate	1.14 %
Expected volatility	100 %
Expected life (in years)	1.50
Dividend yield	0.00 %
Stock price	\$ 0.10
Exercise price	\$ 0.20

d) Stock option plan:

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.



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As at September 30, 2013, common share options held by directors, officers, and consultants are as follows:

Number of options outstanding	Exercise Price \$	Expiry Date	Number of options exercisable
1,025,000	0.20	December 30, 2014	1,025,000
375,000	0.20	December 10, 2015	375,000
350,000	0.35	April 28, 2016	350,000
1,750,000	0.23		1,750,000

The following table outlines the transactions of stock options occurred during the year:

	September 30, 2013	September 30, 2012
Weighted average exercise price	\$ 0.23	\$ 0.23
Balance, beginning of the year	1,812,500	2,075,000
Options cancelled during the year (i)	(62,500)	(62,500)
Options cancelled during the year (ii)	-	(200,000)
Balance, end of the year	1,750,000	1,812,500

(i) During the year ended September 30, 2012, a Consultant's contract was discontinued at the Company's options and 62,500 options were cancelled. During the year ended September 30, 2013, the remaining 62,500 options expired.

(ii) On June 30 2012, 200,000 options granted to directors of the Company expired.



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In calculating the fair value of the options, the Company follows the Black-Scholes option pricing model. The following table summarizes the underlying assumptions that the Company used to determine the share-based compensation cost for the Company's option awards during the year.

	September 30, 2013	September 30, 2012
Risk-free interest rate	-	1.08 %
Expected life (in years)	-	2
Expected volatility	-	100 %
Weighted average exercise price	\$ -	\$ 0.23

The share-based compensation recorded during the year amounted to \$Nil (2012 - \$6,331) and credited to Contributed Surplus.

13. CONTRIBUTED SURPLUS

The following table summarizes the changes of Contributed Surplus during the year:

	September 30, 2013	September 30, 2012
	\$	\$
Balance - beginning of the year	655,548	622,292
Stock-based compensation	-	6,331
Warrants expired	28,050	26,925
Balance - end of the year	683,598	655,548

14. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes



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adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over-all strategy with respect to capital risk management remained unchanged during the year. The Company is not subject to any externally imposed capital requirements as at September 30, 2013.

15. INCOME TAXES

Deferred Income Tax Recovery

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended September 30, 2013 and 2012 is as follows:

	September 30, 2013	September 30, 2012
Combined statutory income tax rates (%)	26.50	26.50
Net loss	(634,000)	(970,189)
Expected recovery of income taxes based on statutory rates.	(168,010)	(257,100)
Adjustments to tax (benefit) expense resulting from:		
Non-deductible permanent differences	12,157	19,493
Timing differences	(116)	(209)
Deemed capital gain on expired warrants	-	19,800
Valuation allowance	155,969	218,016
Current tax expense	Nil	Nil

The tax benefit of the following unused tax losses have not been recognized in the financial statements due to the unpredictability of future earnings.

If not utilized, the non-capital losses will expire as follows:

Year of Expiry	Amount \$
2014	14,752
2015	126,599
2016	183,587
2027	487,834
2028	392,527
2029	949,478
2030	245,636
2031	419,660
2032	1,197,614
2033	678,130
	4,695,817

16. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up-to-date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

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Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, dividends and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash and cash equivalents. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short-term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

Fair value

The carrying value and fair value of these audited financial instruments at September 30, 2013 is disclosed below by financial instrument category, as well as any related interest expense for the year ended September 30, 2013:

Financial Instrument	Carrying Value \$	2013 Fair Value \$	Interest Expense \$	Carrying Value \$	2012 Fair Value \$	Interest Expense \$
<i>Held-for-trading</i>						
Cash and cash equivalents	75,395	75,395	-	530,072	530,072	-
Marketable Securities	13,375	13,375	-	53,000	53,000	-
<i>Loan and receivable</i>						
Other receivable	810	810	-	-	-	-
Amounts receivable	8,021	8,021	-	34,386	34,386	-
<i>Financial liabilities</i>						
Accounts payable and accrued liabilities	80,415	80,415	-	139,416	139,416	-

The fair value of the Company's financial assets and liabilities approximates their respective carrying values as at the balance sheet dates because of the short term maturity of these instruments. The fair value of the financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalent is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. The Company does not have any Level 2 or Level 3 fair value measurements and thus no continuity schedule has been presented. In addition, there have been no significant transfers between levels.

17. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. The effect of stock options and warrants was anti-dilutive and hence, the diluted loss per share equals the basic loss per share.

18. COMPARATIVE NUMBERS

The comparative financial statements have been reclassified to conform to the presentation of the current year financial statements.

The financial statements of the Company as at September 30, 2012 and for the year then ended were audited by another firm of auditors who provided an opinion without reservation in their report dated December 13, 2012

19. SUBSEQUENT EVENTS

Subsequent to year end, the Company raised \$50,000 by issuing 1,000,000 flow through common share units, each unit consisting of one common flow-through share and 1/2 warrant.