AUGUSTINE VENTURES INC.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

NOVEMBER 30, 2013 AND 2012

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Augustine Ventures Inc.

We have audited the accompanying financial statements of Augustine Ventures Inc., which comprise the statements of financial position as at November 30, 2013 and November 30, 2012 and the statements of comprehensive loss, statements of changes in shareholders' equity, and statements of cash flows for each of the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Augustine Ventures Inc. as at November 30, 2013 and November 30, 2012 its financial performance and its cash flows for each of the years 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 describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 1, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"McCarney Greenwood LLP"

Toronto, Canada
March 28, 2014

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AUGUSTINE VENTURES INC.

Statements of Financial Position

(Expressed in Canadian Dollars)

	As at November 30 2013	As at November 30 2012
ASSETS		
Current		
Cash and cash equivalents (note 6)	$ 163,189	$ 78,177
Sundry receivables (note 7)	38,829	18,343
Prepaid expenses	5,492	5,218
Total current assets	207,510	101,738
Non-current		
Property, plant and equipment (note 8)	84,708	111,191
Exploration and evaluation assets (note 9)	2,872,616	2,579,881
Total non-current assets	2,957,324	2,691,072
Total assets	**$ 3,164,834**	**$ 2,792,810**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 10)	$ 424,497	$ 222,806
Due to related parties (note 11)	795,153	504,180
Total liabilities	1,219,650	726,986
SHAREHOLDERS' EQUITY		
Share capital (note 12)	3,425,106	3,071,510
Reserves for warrants (note 12)	1,950,114	2,091,014
Reserves for share-based payments (note 12)	1,097,538	762,122
Deficit	(4,527,574)	(3,858,822)
Total shareholders' equity	1,945,184	2,065,824
Total liabilities and shareholders' equity	**$ 3,164,834**	**$ 2,792,810**

Basis of preparation and going concern assumption (note 1)
Commitments (note 16)
Events subsequent to the reporting period (note 18)

Approved by the Board:

"Robert Dodds" Director

"John Sadowski" Director

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

	Year ended November 30 2013	Year ended November 30 2012
Expenses		
Consulting fees	$ -	$ 22,680
Depreciation (note 8)	26,483	10,584
Directors fees (note 11)	62,250	69,750
General and administrative	64,275	49,970
Interest expense (note 11)	5,708	-
Management fees (note 11)	180,000	488,141
Professional fees	82,310	63,540
Rent and occupancy costs (notes 11, 16)	47,418	101,679
Salaries and benefits	68,358	145,977
Shareholder services and public company costs	72,169	68,004
Share based payments (notes 11, 12)	87,380	284,791
Loss before other items and income tax	**(696,351)**	**(1,305,116)**
Gain on settlement of debt (note 11(h))	-	28,996
Interest income (note 11 (g))	-	11,780
Impairment of exploration and evaluation assets (note 9)	(1)	-
Deferred tax recovery (note 17)	27,600	-
Total comprehensive loss for the year	**$ (668,752)**	**$ (1,264,340)**
Loss per common share (basic and diluted) (note 14)	**$ (0.02)**	**$ (0.04)**
Weighted average number of common shares outstanding Basic and diluted (note 14)	**37,713,639**	**31,586,037**

The accompanying notes are an integral part of these financial statements

AUGUSTINE VENTURES INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended November 30 2013	Year ended November 30 2012
Operating activities		
Net loss for the year	$ (668,752)	$ (1,264,340)
Share based payments	87,380	284,791
Depreciation	26,483	10,584
Deferred tax recovery	(27,600)	-
Oil and gas impairment	-	-
Impairment of exploration and evaluation assets	1	-
Changes in non-cash working capital items		
Sundry receivables	(20,486)	42,157
Prepaid expenses	(274)	74
Accounts payable	201,692	62,000
Due to related parties	290,972	419,310
Cash used in operating activities	**(110,584)**	**(445,424)**
Investing activities		
Advances to related party	-	265,265
Acquisition of property and equipment	-	(95,500)
Mining property exploration and evaluation expenses	(287,736)	(274,950)
Cash used in investing activities	**(287,736)**	**(105,185)**
Financing activities		
Issuance of share capital	540,000	560,000
Cost of issue - cash	(56,668)	(31,640)
Cash provided by financing activities	**483,332**	**528,360**
Increase (decrease) in cash and cash equivalents	**85,012**	**(22,249)**
Cash and cash equivalents, beginning of the year	**78,177**	**100,426**
Cash and cash equivalents, end of the year	**$ 163,189**	**$ 78,177**
Cash and cash equivalents consists of:		
Cash	$ 153,189	$ 68,177
Short-term investments (note 6)	10,000	10,000
	$ 163,189	**$ 78,177**

The accompanying notes are an integral part of these financial statements

Augustine Ventures Inc.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share capital		Reserves for Share-based	Reserves for		
	Shares	**Amounts**	**payments**	**Warrants**	**Deficit**	**Total**
Balances, November 30, 2011	**29,251,790**	**$ 2,752,194**	**$ 306,304**	**$ 1,992,996**	**$ (2,594,482)**	**$ 2,457,012**
Private placements	3,075,000	530,000	-	-	-	530,000
Shares issued for exploration and evaluation assets	750,000	60,000	-	-	-	60,000
Exercise of options	300,000	30,000	-	-	-	30,000
Fair value of options exercised	-	6,256	(6,256)	-	-	-
Warrant valuation	-	(256,375)	-	256,375	-	-
Costs of issue - cash	-	(31,640)	-	-	-	(31,640)
Costs of issue - compensation warrants	-	(18,925)	18,925	-	-	-
Share-based payments	-	-	284,792	-	-	284,792
Expiry of warrants	-	-	158,357	(158,357)	-	-
Net loss for the year	-	-	-	-	(1,264,340)	(1,264,340)
Balances, November 30, 2012	**33,376,790**	**3,071,510**	**762,122**	**2,091,014**	**(3,858,822)**	**2,065,824**
Private placements	8,400,000	540,000	-	-	-	540,000
Shares issued for exploration and evaluation assets	250,000	5,000	-	-	-	5,000
Warrant valuation	-	(98,400)	-	98,400	-	-
Costs of issue - cash	-	(56,668)	-	-	-	(56,668)
Costs of issue - compensation warrants	-	(8,736)	8,736	-	-	-
Share-based payments	-	-	87,380	-	-	87,380
Expiry of warrants	-	-	239,300	(239,300)	-	-
Flow through premium	-	(27,600)	-	-	-	(27,600)
Net loss for the year	-	-	-	-	(668,752)	(668,752)
					-	
Balances, November 30, 2013	**42,026,790**	**$ 3,425,106**	**$ 1,097,538**	**$ 1,950,114**	**$ (4,527,574)**	**$ 1,945,184**

The accompanying notes are an integral part of these financial statements

1. Nature of operation and going concern

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 revenues from its mining properties and is considered to be in the exploration and evaluation stage. The Company is listed on the Canadian Securities Exchange (CSE) under the symbol WAW. The primary office of the Company is located at 130 King Street West, Suite 720, Toronto, Ontario, Canada, M5X 1A6.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis; all of which are uncertain.

The amount shown for exploration and evaluation assets does not necessarily represent its present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has a working capital deficiency as at November 30, 2013 of $1,012,140 (2012 - $625,248) and will need to raise additional capital in the near term to fund its ongoing operations and exploration activities. As a result of these circumstances, there are material uncertainties which cast significant doubts as to the appropriateness of the going concern presumption. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classifications in the statement of financial position that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2013. The policies set out below are based on IFRS issued and outstanding as of March 28, 2014, the date the Board of Directors approved the statements.

Basis of measurement

These financial statements have been prepared on a historical cost basis, with the exception of cash and cash equivalents 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.

Functional currency

These financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Significant accounting estimates and judgments

The preparation of the financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

i) Critical accounting estimates

Impairment of assets - When there are indications that an asset may be impaired, management is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less disposal costs. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments and warrant valuation – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate and expected life of the instruments. The inputs used in valuation of warrants also require the management to make assumptions on expected life of the instruments.

Provision for decommissioning liabilities – Decommissioning liabilities are setup based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time of the rehabilitation costs is actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Useful life of assets subject to depreciation - The Company reviews at the end of each reporting period the useful life of assets subject to depreciation.

The recoverability of receivables – Management of the Company is required to make estimates on the collectability of its sundry receivables.

ii) Critical judgments in applying accounting policies

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

Going concern assumption – Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

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.

Property, plant and equipment

On initial recognition, property, plant and equipment ("PPE") 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 costs of dismantling and removing items. The corresponding liability is recognized within provisions.

PPE is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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

The cost of replacing part of an item of PPE 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 PPE are recognized in the statements of comprehensive loss as incurred.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of PPE are determined by comparing the net disposal proceeds from the carrying amount of the asset, and are recognized net within other income in the statements of comprehensive loss.

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

Furniture and equipment	20%
Computer equipment	30%
Mining equipment	20%
Vehicles	30%

Depreciation methods, useful lives and residual values are reviewed at the end of each financial reporting period and adjusted prospectively, if appropriate.

Exploration and evaluation assets

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 PPE 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 exploration and evaluation assets 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.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Company estimates the recoverable amount of each cash-generating unit (“CGU”), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU, with the exception of the Surluga and the Oakley properties. These two properties are located adjacent to each other and the reason they are assigned a different name is because they were acquired under different agreements. It is the intention of the management to combine these two properties into one as soon as the Company is successful in earning the interest in the Surluga property.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that impairment had occurred. An example of such a situation might include, but not be limited to, the recommencement of exploration activity on a mineral property due to a significant change in commodity prices.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 and evaluation assets.

Exploration and evaluation assets are classified as intangible assets. Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits, if any, are classified as loans and receivables.

Decommissioning liabilities

A legal or constructive obligation for restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are capitalized to exploration and evaluation assets and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no decommissioning liabilities as at November 30, 2013 and 2012.

Impairment of non-financial assets

At the end of each reporting period, the Company assesses as to whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels of CGU. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Financial instruments

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

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

Financial assets

Financial assets are classified into the following categories: financial assets 'at FVTPL', 'held-to-maturity investments', 'available-for-sale' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

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

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

ii) Loans and receivables

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

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

Sundry receivables are classified as loans and receivables.

iii) Available for sale investments

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

The Company does not currently hold any available-for-sale or held-to-maturity financial assets.

Impairment of financial assets

Financial assets are assessed as to whether there are any objective evidence of impairment at the end of each reporting period.

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

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

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

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

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities are classified as at FVTPL where the financial liability is either held-for-trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in the statement of comprehensive income/loss. The net gain or loss recognized in the statement of comprehensive loss incorporates any interest paid on the financial liability.

i) Other financial liabilities

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

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in the statement of comprehensive loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive 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 options, share purchase warrants, compensation warrants, and flow-through shares are classified as equity instruments.

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

Flow-through shares

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount of investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting income tax recovery when the entity renounces the tax differences.

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 share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years. Options and warrants are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

Share based payments

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

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

Fair value hierarchy

Financial instruments that are measured at fair value in periods subsequent to initial recognition use 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) 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 (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of November 30, 2013 and 2012, cash and cash equivalents is the Company’s only financial instruments that are measured at fair value on the statement of financial position. The fair value of cash and cash equivalents is measured using level 1.

Change in accounting policies

IAS 1 – Presentation of financial statements (“IAS 1”) was amended by the IASB in June 2011. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. At December 1, 2012, the Company adopted this standard on the Company’s financial statements.

Future accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2013 or later periods. Many are not applicable to or do not have a significant impact on the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board. The standard is effective for years beginning January 1, 2018.

(ii) IFRS 11 – Joint arrangements (“IFRS 11”) was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iii) IFRS 12 – Disclosure of interests in other entities (“IFRS 12”) was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, subsidiaries, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 13 – Fair value measurement (“IFRS 13”) was issued by the IASB in May 2011. IFRS 13 provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IAS 27 - Separate Financial Statements ("IAS 27") was reissued in May 2011 and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. As the consolidation guidance will now be included in IFRS 10, IAS 27 will only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IAS 39 (or IFRS 9 if early adopted) Financial Instruments.

(vi) In October 2011, the IASB issued IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. Retrospective application of this interpretation is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

4. Financial instruments and risk exposures

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

Financial assets and financial liabilities were as follows:

November 30, 2013	Other liabilities ($)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total ($)
Cash and cash equivalents	-	-	163,189	163,189
Sundry receivables	-	38,829	-	38,829
Accounts payable and accrued liabilities	424,497	-	-	424,497
Due to related parties	795,153	-	-	795,153

November 30, 2012	Other liabilities ($)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total ($)
Cash and cash equivalents	-	-	78,177	78,177
Sundry receivables	-	18,343	-	18,343
Accounts payable and accrued liabilities	222,806	-	-	222,806
Due to related parties	504,180	-	-	504,180

The fair values of sundry receivables and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments. The amount of advances from the related parties, which is included as part of the due to related party, bears an interest of 8% per annum and are due on January 31, 2013. However these amounts advanced from related parties have not been repaid as of November 30, 2013. See note 11 for additional details. The remaining due to related party amount bears no interest, has no specific terms of repayment and due on demand. The fair values of these amounts have not been disclosed because the cash flow streams of the related party amounts are not determinable.

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk, interest rate risk and market risk, which includes commodity and equity price risks. 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 a chartered Canadian financial institution.

The majority of the Company's sundry receivable comprised sales tax refunds due from government authorities in Canada and deposits held with service providers in the form of advances. The tax receivable is in good standing and was not past due as of November 30, 2013. Management believes that the credit risk concentration with respect to this financial instrument is low.

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. As at November 30, 2013, the Company has working capital deficiency of $1,102,140 (2012 - $625,248). 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 and equity price risk

The Company is not exposed to commodity price risk with respect to prices for gold and other precious metals because the Company is not in the production stage and the Company does not hold any of above commodities. The Company is also not exposed to equity price risk because it does not hold any investment in marketable securities that are subject to equity price fluctuation.

Sensitivity analysis

The Company believes the sensitivity to a plus or minus 1% change in interest rates would not have a significant impact on the reported net loss for the year ended November 30, 2013 because other than the related party loans, which have a fixed interest term, none of the Company's assets or liabilities bears interest.

5. Capital management

The Company manages its capital with the following objectives:

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

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

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at November 30, 2013 totaled $1,945,184 (November 30, 2012 - $2,065,824).

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

The Company's capital management objectives, policies and processes have remained unchanged during the year ended November 30, 2013 from 2012.

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

6. Restricted cash

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

7. Sundry receivables

	As at November 30, 2013 ($)	As at November 30, 2012 ($)
Harmonized sales tax recoverable	28,510	17,559
Sundry receivables	10,319	784
	38,829	18,343

Harmonized sales tax recoverable and sundry receivables are not past due.

8. Property, plant and equipment

	Furniture and equipment ($)	Mining equipment ($)	Computer equipment ($)	Vehicles ($)	Totals ($)
Cost:					
Balance, November 30, 2011	-	-	13,358	20,545	33,903
Additions	65,500	5,000	20,000	5,000	95,500
Balance, November 30, 2012	65,500	5,000	33,358	25,545	129,403
Additions	-	-	-	-	-
Balance, November 30, 2013	65,500	5,000	33,358	25,545	129,403
Depreciation and impairment losses:					
Balance, November 30, 2011	-	-	3,006	4,622	7,628
Depreciation for the year	1,638	125	3,856	4,965	10,584
Balance, November 30, 2012	1,638	125	6,862	9,587	18,212
Depreciation for the year	12,772	975	7,949	4,787	26,483
Balance, November 30, 2013	14,410	1,100	14,811	14,374	44,695
Carrying amounts:					
At November 30, 2011	-	-	10,352	15,923	26,275
At November 30, 2012	63,862	4,875	26,496	15,958	111,191
At November 30, 2013	51,090	3,900	18,547	11,171	84,708

9. Exploration and evaluation assets

As at November 30, 2013, the carrying value of the Company's exploration and evaluation assets was as follows:

	Surluga ($)	Oakley ($)	Brackin ($)	Total ($)
Balance, November 30, 2011	1,774,929	470,000	1	2,244,930
Acquisition costs	95,535	-	-	95,535
Exploration costs	231,266	8,150	-	239,416
Balance, November 30, 2012	2,101,730	478,150	1	2,579,881
Acquisition costs	41,413	-	-	41,413
Exploration costs	251,323	-	-	251,323
Impairment	-	-	(1)	(1)
Balance, November 30, 2013	2,394,466	478,150	-	2,872,616

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 anniversaries of the Consent Date. The 250,000 common shares pertaining to each of the first and second anniversaries were issued.

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 was completed at fair value. However the transaction is considered a related party transaction because Delta and the Company had common officers, a director and that Delta was a significant shareholder of the Company (at the time of the transaction) 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 was also committed to make an additional cash payment to the original property vendor in the amount of $35,000 US on or before February 1, 2013, which payment was made during fiscal 2013.

Pursuant to an Amending Agreement dated October 12, 2012 with Citabar Limited Partnership ("Citabar") and Delta, certain terms to earn a 60% interest in the Wawa Gold Project have been amended to provide that the date to have spent an additional $1,500,000 in eligible property expenditures by November 10, 2012 (for an aggregate of $2,000,000 of eligible property expenditures) had been extended to June 30, 2013. For consideration of Citabar entering into the Amending Agreement, the Company issued an additional 500,000 common shares in the capital of the Company to Citabar.

On March 18, 2013, the Company reached a further amending agreement (“Second Amending Agreement”) with Citabar to amend the Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of $4.0 million in eligible expenditures on or before November 30, 2013. Under the Second Amending Agreement, the Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional $4.0 million in eligible expenditures (for an aggregate total of $8.0 million in eligible expenditures) on or before June 30, 2015.

In consideration for amending the Option Agreement, the Company shall, upon the closing of the $3.5 million private placement, announced on April 2, 2013, if successful, issue to Citabar such number of common shares of the Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of the Company, excluding shares that Citabar or its affiliates own prior to the $3.5 million private placement.

Effective October 21, 2013, the Company reached a Third Amending Agreement with Citabar to further amend the original Option Agreement and Second Amending Agreement. Under the Third Amending Agreement, Citabar agreed to extend the date to earn an undivided 60% interest in the Wawa Gold Project from Citabar by expending an aggregate of $4 million in eligible expenditures from November 30, 2013 to June 30, 2014, subject to the Company demonstrating to the satisfaction of Citabar, in Citabar's sole discretion, that the Company have firm commitments of sufficient financing by December 15, 2013 and having received the proceeds of such funding by January 15, 2014. Subsequent to January 15, 2014, Citabar waived the requirement for the Company to have sufficient financing by December 15, 2013 and having received the proceeds of such funding by January 15, 2014. In consideration for amending the Option Agreement, the Company shall, upon having spent sufficient funds so as to earn in a 60% interest in the Wawa Gold Project, issue to Citabar such number of the Company's common shares that will represent 30% of the issued and outstanding common shares of the Company, independent of the shares already owned by Citabar and any of its wholly owned subsidiaries and affiliates.

The following table summarizes the Company's requirements as at November 30, 2013, updated to reflect the Third Amending Agreement to earn its 75% interest in the Surluga property:

	Cash payments ($)	Number of common shares	Exploration expenditures ($)
Paid on signing	100,000		
Consent date (issued December 22, 2010)		250,000	
November 10, 2011 (completed)		250,000	500,000
February 1, 2012 ($35,000 US - paid)	35,534		
November 10, 2012 (issued)		250,000	
February 1, 2013 ($35,000 US - paid)	36,413		
November 10, 2013 (issued)		250,000	
June 30, 2014			3,500,000
June 30, 2015			4,000,000
	171,947	1,000,000	8,000,000

As at November 30, 2013, the Company had expended a total of $1,685,682 in exploration expenditures.

Additional staked claims

In March 2011 and April 2012, the Company staked an additional 5 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. The carrying value of $1 is impaired and the property has been written off during 2013.

10. Accounts payable and accrued liabilities

Accounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration costs on exploration and evaluation assets, general operating activities, amounts payable for financing activities and professional fees activities**.**

	As at November 30, 2013 ($)	As at November 30, 2012 ($)
Accounts payable	394,997	222,806
Accrued liabilities	29,500	-
	424,497	222,806

The following is an aged analysis of the accounts payable and other liabilities:

	As at November 30, 2013 ($)	As at November 30, 2012 ($)
Current to 2 month	131,935	37,588
From 2 to 3 months	58,209	26,082
Greater than 3 months	234,353	159,136
	424,497	222,806

11. Related party disclosure

During the year ended November 30, 2013, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued fees to its current and former senior officers totaling $180,000 (2012 - $488,141). Included in due to related parties are amounts of $437,750 (year ended November 30, 2012 - $322,690) 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 or paid directors fees totaling $62,250 (2012 - $69,750) to directors of the Company for their services as directors. Included in due to related parties are amounts of $83,053 (year ended November 30, 2012 - $112,850) 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) During the fiscal year ended November 30, 2012, the Company received an aggregate of $48,000 in loans evidenced by convertible promissory notes (the “2012 Notes”) that were due on January 31, 2013 and for which the Company has granted general security agreements in favour of the lenders. Pursuant to the terms of the 2012 Notes, the holders could elect to convert some or all of the principal outstanding on or before their due date into units of the Company comprised of one common share and one common share purchase warrant. On their due date, the holders of the 2012 Notes elected to continue to receive interest on the 2012 Notes and not convert into units.

One of the 2012 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 2012 Notes totaling $35,000 is held by two holders who are shareholders of the Company.

During the fiscal year ended November 30, 2013, the Company received an aggregate of $220,000 in loans evidenced by convertible promissory notes (the “2013 Notes”) that are due on June 30, 2014 and for which the Company has granted general security agreements in favour of the lenders.

One of the 2013 Notes in the amount of $20,000 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 2013 Notes totaling $200,000 is held by two holders who are shareholders of the Company.

As at November 30, 2012, the Company had a non-interest bearing loan of $20,000 due to the Chief Executive Officer and such loan was repaid during fiscal 2013.

As at November 30, 2013, included in due to related parties are the following amounts for the outstanding 2012 and 2013 Notes:

	Amounts ($)
Principal - 2012 Notes	48,000
Principal - 2013 Notes	220,000
Accrued interest - 2012 Notes	4,098
Accrued interest - 2013 Notes	1,610
	273,708

(d) Key management personnel compensation during the period is comprised of:

	November 30, 2013 ($)	**November 30, 2012 ($)**
Management fees (a)	180,000	288,141
Termination benefits accrued to former management (h)	-	200,000
Directors' fees (b)	62,250	69,750
Share based payments	75,747	284,791
	317,997	**842,682**

(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. At the time Delta was considered a related party to the Company due to reasons disclosed on Note 9. Effective August 1, 2012, the Company entered into a tenancy agreement whereby it agreed to assume the entire office space and therefore all obligations with respect to the office lease at a rate of $10,701 per month. The office obligation was until July 31, 2013, at which time the Company had 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. Effective December 1, 2012, the Company entered into a sublease arrangement with an unrelated third party for the third party to occupy and therefore assume the remaining lease obligations at those premises (see note 16 - commitments).

(f) In August 2012, the Company purchased office, computer and mining equipment from Delta for a purchase price of $95,500 (fair value), 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, which indebtedness was unsecured, non-interest bearing and due on demand. On June 20, 2012, the Company received a Secured Promissory Note (the "Note") in the principal amount of $306,415 from Delta, which Note formally acknowledged Augustine's loans to Delta. The Note bore interest at the rate of 12% per annum and was repayable on demand. The principal and accrued interest payable under the Note was secured by a pledge by Delta with a first priority of 3,810,000 common shares of Augustine held by Delta.

During the fiscal year ended November 30, 2012, the Company received payments of principal and interest from the Note as follows:

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

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

(h) During the fiscal year ended November 30, 2012, the Company accrued a $200,000 severance as a result of the termination of employment agreement with the former CEO of the Company. This amount is included as part of the overall compensation to the management and officer of the Company disclosed in part (a) above. The severance payment will occur in eighteen consecutive monthly installments of $11,111 and will begin immediately following the Company's capital raise of $2.5 million dollars, which as at November 30, 2013, the Company still has not successful in raising such capital. As a result of the termination, the Company also settled a debt owed to the former CEO and a $28,996 gain from settlement of debt was recognized.

(i) During the fiscal year ended November 30, 2013, directors and officers of the Company subscribed for a total of 2,700,000 units at the price of $0.05 per unit for gross proceeds of $135,000 (see note 12 - share capital and reserves).

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.

The following is a summary of changes in common share capital from November 30, 2011 to November 30, 2013:

Date		Number of Shares	Amount ($)
November 30, 2011	**Balances**	**29,251,790**	**2,754,194**
December 29, 2011	Private placement (1)	1,075,000	215,000
January 3, 2012	Exercise of options (2)	250,000	25,000
March 22, 2012	Private placement (3)	1,000,000	200,000
July 16, 2012	Private placement (4)	1,000,000	115,000
October 15, 2012	Issued for mining property (5)	500,000	45,000
November 9, 2012	Issued for mining property (6)	250,000	15,000
November 9, 2012	Exercise of options (7)	50,000	5,000
	Fair value of options exercised		6,256
	Warrant valuation		(256,375)
	Costs of issue - cash		(31,640)
	Costs of issue - compensation warrants		(18,925)
November 30, 2012	**Balances**	**33,376,790**	**3,071,510**
February 7, 2013	Private placement (8)	1,200,000	120,000
February 28, 2013	Private placement (9)	1,200,000	120,000
July 4, 2013	Private placement (10)	6,000,000	300,000
November 9, 2013	Issued for mining property (11)	250,000	5,000
	Warrant valuation		(98,400)
	Cost of issue - cash		(56,668)
	Cost of issue - compensation warrants		(8,736)
	Flow-through premium		(27,600)
November 30, 2013	**Balances**	**42,026,790**	**3,425,106**

(1) On December 29, 2011, the Company closed a financing for 1,075,000 flow through units at the price of $0.20 per unit for gross proceeds of $215,000. Each flow through unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.50 expiring on December 29, 2013. The value of the associated warrants was estimated to be $91,375 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $10,500 and issued 52,500 compensation warrants (see "Compensation warrants summary" in note 13).

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

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

(4) On July 16, 2012, the Company closed 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.

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

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

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

(8) Financing for 800,000 non-flow through units and 400,000 flow through units at the price of $0.10 per unit for gross proceeds of $120,000. Each flow through unit consisted of one common share and one-half of one common share purchase warrant and non-flow through unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.20 expiring on February 7, 2015. The value of the associated warrants was estimated to be $26,000 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $19,600 and issued 96,000 compensation warrants with an estimated value of $2,976 assigned to these broker warrants (see "Compensation warrants summary" in note 13).

(9) Financing for 1,200,000 flow through units at the price of $0.10 per Unit for gross proceeds of $120,000. Each flow through unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.20 expiring on February 28, 2015. The value of the associated warrants was estimated to be $17,400 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). No commissions were paid as a result of this private placement.

(10) Financing for 1,000,000 flow through units and 5,000,000 non-flow through units at the price of $0.05 per unit for gross proceeds of $300,000. Each flow through unit consisted of one common share and one-half of one common share purchase warrant and non- flow through unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.10 expiring on July 4, 2015. The value of the associated warrants was estimated to be $55,000 using the Black-Scholes pricing option model and was disclosed as a separate component of shareholders' equity (see "Warrants summary" below). As a result of this private placement, the Company paid cash commissions of $37,068 and issued 480,000 compensation warrants with an estimated value of $5,760 assigned to these broker warrants (see "Compensation warrants summary" in note 13).

(11) Issuance of 250,000 common shares at the price of $0.05 per common share with regard to the Delta Option Agreement.

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 November 30, 2011 to November 30, 2013:

Changes in warrants during the year ended November 30, 2013

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Dec. 22, 2010	Dec. 22, 2013 (b)	0.40	5,075,000	-	-	-	5,075,000
Feb. 8, 2011	Feb. 8, 2014 (b)	0.40	3,512,500	-	-	-	3,512,500
Mar. 23, 2011	Mar. 23, 2014 (b)	0.40	2,300,000	-	-	-	2,300,000
Apr. 27, 2011	Apr. 27, 2013	0.40	761,250	-	-	(761,250)	-
June 13, 2011	June 13, 2013	0.40	526,875	-	-	(526,875)	-
July 28, 2011	July 28, 2013	0.40	345,000	-	-	(345,000)	-
Dec. 29, 2011	Dec. 29, 2013	0.50	1,075,000	-	-	-	1,075,000
Mar. 22, 2012	Mar. 21, 2016	0.25	1,000,000	-	-	-	1,000,000
Feb 7, 2013	Feb. 7, 2015	0.20	-	1,000,000	-	-	1,000,000
Feb. 28, 2013	Feb. 28, 2015	0.20	-	600,000	-	-	600,000
July 4, 2013	July 4, 2015	0.10	-	5,500,000	-	-	5,500,000
			14,595,625	**7,100,000**	**-**	**(1,633,125)**	**20,062,500**
Weighted average exercise price ($)			**0.40**	**0.12**	**-**	**0.40**	**0.30**

Changes in warrants during the year ended November 30, 2012

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Nov. 1, 2010	Nov. 1, 2012	0.20	2,639,290	-	-	(2,639,290)	-
Dec. 22, 2010	Dec. 22, 2012 (b)	0.40	5,075,000	-	-	-	5,075,000
Feb. 8, 2011	Feb. 8, 2013 (b)	0.40	3,512,500	-	-	-	3,512,500
Mar. 23, 2011	Mar. 23, 2013 (b)	0.40	2,300,000	-	-	-	2,300,000
Apr. 27, 2011	Apr. 27, 2013	0.40	761,250	-	-	-	761,250
June 13, 2011	June 13, 2013	0.40	526,875	-	-	-	526,875
July 28, 2011	July 28, 2013	0.40	345,000	-	-	-	345,000
Dec. 29, 2011	Dec. 29, 2013	0.50	-	1,075,000	-	-	1,075,000
Mar. 22, 2012	Mar. 21, 2016	0.25	-	1,000,000	-	-	1,000,000
			15,159,915	**2,075,000**	**-**	**(2,639,290)**	**14,595,625**
Weighted average exercise price ($)			**0.37**	**0.38**	**-**	**0.20**	**0.40**

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

Issue Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Nov. 1, 2010	Nov. 1, 2012 (a)	0.20	0.10	1.41	147	2	0	158,357
Apr. 27, 2011	Apr. 27, 2013 (a)	0.40	0.20	1.66	190	2	0	114,949
June 13, 2011	June 13, 2013 (a)	0.40	0.20	1.88	180	2	0	76,396
July 28, 2011	July 28, 2013 (a)	0.40	0.20	1.68	172	2	0	47,955
								397,657
Dec. 22, 2010	Dec. 22, 2013 (b)	0.40	0.20	1.66	190	2	0	766,326
Feb. 8, 2011	Feb. 8, 2014 (b)	0.40	0.20	1.88	180	2	0	509,313
Mar. 23, 2011	Mar. 23, 2014 (b)	0.40	0.20	1.68	172	2	0	319,700
Dec. 29, 2011	Dec. 29, 2013	0.50	0.15	0.95	160	2	0	91,375
Mar. 22, 2012	Mar. 21, 2016	0.25	0.18	1.71	179	4	0	165,000
Feb. 7, 2013	Feb. 7, 2015	0.20	0.05	1.16	155	2	0	26,000
Feb. 28, 2013	Feb. 28, 2015	0.20	0.055	0.99	155	2	0	17,400
July 4, 2013	July 4, 2015	0.10	0.02	1.20	155	2	0	55,000
								1,950,114

(a) These warrants expired unexercised.
(b) On December 7, 2012, the Company extended the expiry date of these warrants by one year; the dates above reflect the amended expiry dates.

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

Reserves for share-based payments summary:

	Amounts ($)
Balance, November 30, 2011	**306,304**
Share-based payment (note 13)	284,791
Fair value of compensation warrants (note 13)	18,925
Fair value of stock options exercised	(6,256)
Reallocation of value from expired warrants	158,358
Balance, November 30, 2012	**762,122**
Share based payment (note 13)	87,380
Fair value of compensation warrants (note 13)	8,736
Reallocation of value from expired warrants	239,300
Balance, November 30, 2013	**1,097,538**

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.

As at November 30, 2013, the maximum number of common shares which may be set aside for issue under the Plan was 7,119,581 common shares, provided that the Board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. Any shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan. The option price of any common shares cannot be less than the closing price of the shares on the day immediately preceding the day upon which the option is granted. Options granted under the Plan may be exercised during a period not exceeding ten (10) years, subject to earlier termination upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its affiliates, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. The Board of Directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time.

Stock options granted

The following summarizes changes in stock options from November 30, 2011 to November 30, 2013:

Changes in stock options during the year ended November 30, 2013

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
Nov. 24, 2009	Nov. 24, 2014	0.10	90,000	-	-	(30,000)	60,000	60,000	-
Apr. 25, 2011	Apr. 1, 2013	0.20	770,000	-	-	(770,000)	-	-	-
Jan. 12, 2012	Oct. 1, 2013	0.20	945,000	-	-	(945,000)	-	-	-
Jan. 12, 2012	Jan. 1, 2014	0.20	472,500	-	-	(252,500)	220,000	220,000	-
Jan. 12, 2012	June 1, 2014	0.20	1,030,000	-	-	(355,000)	675,000	675,000	-
Jan. 25, 2013	Jan. 24, 2015 (a)	0.10	-	330,000	-	-	330,000	247,500	82,500
Apr. 30, 2013	Apr. 30, 2016	0.10	-	2,600,000	-	-	2,600,000	2,600,000	-
			3,307,500	**2,930,000**	**-**	**(2,352,500)**	**3,885,000**	**3,802,500**	**82,500**
Weighted average exercise price ($)			**0.20**	**0.20**	**-**	**0.20**	**0.12**	**0.12**	**0.10**

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

Changes in stock options during the year ended November 30, 2012

Grant Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
Nov. 24, 2009	Nov. 24, 2014	0.10	90,000	-	-	-	90,000	90,000	-
Nov. 10, 2010	Nov. 11, 2012	0.10	485,000	-	(300,000)	(185,000)	-	-	-
Apr. 25, 2011	Apr. 1, 2013	0.20	845,000	-	-	(75,000)	770,000	770,000	-
Jan. 12, 2012	Oct. 1, 2013	0.20	-	1,055,000	-	(110,000)	945,000	945,000	-
Jan. 12, 2012	Jan. 1, 2014	0.20	-	527,500	-	(55,000)	472,500	472,500	-
Jan. 12, 2012	June 1, 2014	0.20	-	1,030,000	-	-	1,030,000	770,002	259,998
			1,420,000	**2,612,500**	**(300,000)**	**(425,000)**	**3,307,500**	**3,047,502**	**259,998**
Weighted average exercise price ($)			**0.16**	**0.20**	**0.10**	**0.16**	**0.20**	**0.20**	**0.20**

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

Grant Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Nov. 24, 2009	Nov. 24, 2014	0.10	0.054	2.54	100	5	0	13,219
Nov. 10, 2010	Nov. 11, 2012	0.10	0.04	1.57	114	2	0	7,221
Apr. 25, 2011	Apr. 1, 2013	0.20	0.20	1.83	171	2	0	130,975
Jan. 12, 2012	Oct. 1, 2013	0.20	0.16	0.99	155	1.72	0	106,925
Jan. 12, 2012	Jan. 1, 2014	0.20	0.16	0.99	154	1.97	0	54,482
Jan. 12, 2012	June 1, 2014	0.20	0.16	0.99	165	2.39	0	155,620
Jan. 25, 2013	Jan. 24, 2015	0.10	0.07	1.14	154	2	0	3,878
Apr. 30, 2013	Apr. 30, 2016	0.10	0.035	0.97	154	3	0	65,000

Compensation warrants summary

The Company issued compensation warrants in connection with private placements (see note 12 - share capital and reserves). The following summarizes changes in compensation warrants granted from November 30, 2011 to November 30, 2013:

Changes in compensation warrants during the year ended November 30, 2013

Issue Date	Expiry Date	Exercise Price ($)	Opening Balance	Granted	Exercised	Expired	Closing Balance
Dec. 22, 2010	note (a)	0.20	492,000	-	-	-	492,000
Feb. 8, 2011	note (a)	0.20	312,000	-	-	-	312,000
Mar. 23, 2011	note (a)	0.20	216,000	-	-	-	216,000
Dec. 29, 2011	Dec. 29, 2013	0.20	52,500	-	-	-	52,500
Mar. 22, 2012	Mar. 21, 2016	0.25	80,000	-	-	-	80,000
Feb. 7, 2013	Feb. 7, 2015	0.10	-	96,000	-	-	96,000
July 4, 2013	July 4, 2015	0.05	-	480,000	-	-	480,000
			1,152,500	576,000	-	-	1,728,500
Weighted average exercise price ($)			**0.20**	**0.06**	**-**	**-**	**0.16**

Changes in compensation warrants during the year ended November 30, 2012

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

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

Issue Date	Expiry Date	Exercise Price ($)	Market Price ($)	Risk Free Interest Rate (%)	Expected Volatility Range (%)	Average Expected Life (years)	Expected Dividend Yield (%)	Fair Values ($)
Dec. 22, 2010	note (a)	0.20	0.20	1.66	190	2	0	81,180
Feb. 8, 2011	note (a)	0.20	0.20	1.88	180	2	0	49,920
Mar. 23, 2011	note (a)	0.20	0.20	1.68	172	2	0	33,696
Dec. 29, 2011	Dec. 29, 2013	0.20	0.15	0.95	160	2	0	5,565
Mar. 22, 2012	Mar. 21, 2016	0.20	0.18	1.71	179	4	0	13,360
Feb. 7, 2013	Feb. 7, 2015	0.10	0.055	0.99	155	2	0	2,976
July 4, 2013	July 4, 2015	0.05	0.02	1.20	155	2	0	5,760

(a) In addition to the cash commissions paid pertaining to private placements closed in fiscal 2011, the Company issued at arm's length an aggregate of 1,020,000 compensation warrants. Each compensation warrant entitles the holder thereof to acquire one Unit at an exercise price of $0.20 per Unit (the "Unit") for a period of two years from the date that the Company completes either: (i) a distribution to the public of common shares in Canada pursuant to a prospectus and the concurrent listing of the common shares for trading on a recognized stock exchange, or (ii) another transaction as a result of which all outstanding common shares, or the securities of another issuer issued in exchange for all such outstanding common shares, are traded on a recognized stock exchange and are freely tradable (subject to control block restrictions) (the "Liquidity Event").

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

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

14. Basic and diluted loss per share

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

	November 30, 2013	November 30, 2012
Loss attributable to common shareholders	$ 668,751	$ 1,264,340
Weighted average number of common shares	37,713,639	31,586,037
Basic and diluted loss per share	**$ 0.02**	**$ 0.04**
Weighted average number of common shares:		
Balance, November 30, 2012 and 2011	33,376,790	29,251,790
Effect of common shares issued for private placements	4,326,575	2,060,822
Effect of common shares issued for mining property	10,274	43,151
Effect of stock options exercised	-	230,274
Balance, November 30, 2013 and 2012	**37,713,639**	**31,586,037**

The basic and diluted loss per share is the same as the outstanding options and warrants are anti-dilutive. As at November 30, 2013, there were 19,862,500 warrants (2012 – 14,595,625), 3,885,000 options (2012 – 3,307,500) and 1,728,500 brokers warrants (2012 – 1,152,500) outstanding. These were excluded because they were anti-dilutive.

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 period also represent segment amounts. All of the Company's operations and assets are situated in Canada.

16. Commitments

Office leases

Effective September 3, 2013, the Company entered into an office license agreement (“License”) with BPO Properties Ltd., HRI Exchange Inc. and PFS Exchange Inc. (“Licensor”) to occupy premises in the building known as Exchange Tower, located at 130 King Street West. The term of the License from November 1,2013 to October 31, 2014 at a base rent of $43,019 per annum, payable in equal monthly instalments of $3,585, each in advance on the first day of each calendar month during the term.

As at November 30, 2013, the Company was committed to rent payments on office space as follows:

	Amount ($)
Year ended November 30, 2014	39,435

Wawa property

Pursuant to the acquisition agreements of the Surluga property in 2010 (see note 9 - mining properties and expenditures) and after giving effect to amendments to the Wawa Gold Property agreements, the Company has the following remaining payments to earn its interest in the property:

	Exploration expenditures ($)	Cumulative interest earned
Upon completion of financing		
June 30, 2014	2,314,318	60%
June 30, 2015	4,000,000	75%
	6,314,318	

The Company reached a further amending agreement dated March 18, 2013 (the "Second Amending Agreement") with Citabar Limited Partnership ("Citabar") to amend the previous Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of $4.0 million in eligible expenditures on or before November 30, 2013. Under the Second Amending Agreement, the Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional $4.0 million in eligible expenditures (for an aggregate total of $8.0 million in eligible expenditures) on or before June 30, 2015. In consideration for amending the Option Agreement, the Company shall, upon the closing of the recent announced $3.5 million private placement, issue to Citabar such number of common shares of the Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of the Company, excluding shares that Citabar and its affiliates already own. The issuance of the shares to Citabar is subject to any and all necessary regulatory and other approvals. On October 21, 2013, the Company reached a third amending agreement ("Third Amending Agreement") with Citabar to extend the November 30, 2013 to incurred the aggregate expenditure of $4.0 million to June 30, 2014 and left other terms regarding the acquisition of the additional 15% ownership interest unchanged.

17. Income Taxes

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

	2013	2012
	$	$
Net loss before income taxes	(668,751)	(1,264,340)
Income tax at combined federal and provincial rates of 26.50% and 26.65% respectively	(177,219)	(279,179)
Share-based payments	23,156	75,885
Cost of issuance	(17,631)	(14,708)
Others	7,711	3,462
Discharge of flow through share liabilities	(27,600)	-
	(191,583)	(254,156)
Tax benefits not recognized	163,983	272,083
Deferred Income tax (recovery)	(27,600)	-

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

	2013	2012
	$	$
Deferred Tax Assets		
Tax loss carry-forward	845,116	635,678
Share issue costs	42,945	42,979
Capital assets	11,844	4,553
Deferred tax assets	899,905	683,210
Deferred tax liabilities		
Temporary differences	(298,991)	(229,567)
Impairment allowance	(600,914)	(453,643)
Net Deferred Tax Asset	**-**	**-**

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

As at November 30, 2013 the Company had non-capital losses available for carry-forward which may be carried forward to reduce taxable income in future years. These losses expire as follows:

Expired by:	Amount
2014	$ 72,000
2015	81,000
2026	73,000
2027	90,000
2028	91,000
2029	99,000
2030	124,000
2031	892,000
2032	1,021,000
2033	646,000
	$ 3,189,000

18. Subsequent events

Private Placements

On March 6, 2014, the Company closed an offering of 4,305,000 flow-through units at the price of $0.05 per flow-through unit and 945,000 non-flow-through units at a price of $0.05 per unit for gross proceeds of $262,500. The offering was completed pursuant to the financing arrangement with IBK Capital Corp. Each flow-through unit consists of one flow-through common share of Augustine and one non-flow through common share purchase warrant. Each warrant allows the holder to acquire one non-flow-through common share for a period of 36 months at an exercise price of $0.05 per share. Each non-flow-through unit consists of one common share and one common share purchase warrant. Each warrant allows the holder to acquire one non-flow-through common share of Augustine for a period of 36 months at an exercise price of $0.05 per share. In connection with the financing, the Company paid a cash commission of 8% of the funds raised and broker warrants in the amount of 8% of the flow-through units and non-flow-through unis issued through the offering. Each broker warrant allows the holder to acquire one non-flow-through unit of the Company at a price of $0.05 per common share until March 5, 2017.