Augustine Ventures Inc.

Financial Statements
November 30, 2014 and 2013
(Expressed in Canadian dollars)

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(Expressed in Canadian dollars)

Contents

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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 statement of financial position as at November 30, 2014 and the Statements of 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, whether due to fraud or error.

Auditor's 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 judgement, 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 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, 2014 and its financial performance and its cash flows for the year ended November 30, 2014 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 indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Other matter

The financial statements of Augustine Ventures Inc. for the year ended November 30, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2014.

Collins Barrow Toronto LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
March 20, 2015

Augustine Ventures Inc.
Statements of Financial Position
As At November 30, 2014 and 2013
(Expressed in Canadian Dollars)

	Note	As at November 30, 2014	2013
ASSETS			
Current assets			
Cash and cash equivalents		$ 2,375	$ 153,189
Sundry receivables	5	28,571	38,829
Prepaid expenses		10,935	5,492
Total current assets		41,881	197,510
Non-current assets			
Restricted cash	4	10,000	10,000
Property and equipment	6	64,795	84,708
Exploration and evaluation assets	7	3,114,326	2,872,616
Total non-current assets		3,189,121	2,967,324
Total assets		$ 3,231,002	$ 3,164,834
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		$ 703,525	$ 424,497
Due to related parties	8	852,131	795,153
Total liabilities		1,555,656	1,219,650
Shareholders' equity			
Share capital	9	3,536,940	3,425,106
Reserves for warrants	10	375,018	1,950,114
Reserves for share based payments	10	3,144,335	1,097,538
Deficit		(5,380,947)	(4,527,574)
Total shareholders' equity		1,675,346	1,945,184
Total liabilities and shareholders' equity		$ 3,231,002	$ 3,164,834

Going concern (Note 1)
Commitments (Note 15)
Related party transactions (Note 8)
Events after the reporting period (Note 16)

Approved on March 19, 2015 by a committee of the Board of Directors for issuance.

"Robert Dodds"
Director

"John Sadowski"
Director

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Augustine Ventures Inc.
Statements of Comprehensive Loss
For the Years Ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)

	Note	For the Years ended November 30, 2014	2013
Expenses			
Depreciation	6	$ 19,913	$ 26,483
Directors fees	8	58,750	62,250
General and administrative		83,572	64,275
Interest expense	8	22,186	5,708
Management fees	8	98,750	180,000
Professional fees		60,653	82,310
Rent and occupancy costs		89,003	47,418
Salaries and benefits		41,910	68,358
Shareholder services and public company costs		36,601	72,169
Share based payments	8, 10	342,035	87,380
Loss before other items and income tax		(853,373)	(696,351)
Impairment of exploration and evaluation assets		-	(1)
Deferred tax recovery	14	-	27,600
Total comprehensive loss for the year		$ (853,373)	$ (668,752)
Weighted average number of common shares outstanding:			
Basic and diluted	11	45,910,352	37,713,639
Loss per common share (basic and fully diluted)	11	$ (0.019)	$ (0.018)

Augustine Ventures Inc.
Statements of Changes in Shareholders' Equity
For the years ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Shares	Amount	Share based payments	Warrants	Deficit	Total Shareholders' equity
Balances, December 1, 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
Private placements	5,250,000	262,500				262,500
Warrant valuation		(111,619)		111,619		-
Costs of issue - cash		(21,000)				(21,000)
Costs of issue - compensation warrants		(18,047)	18,047			-
Share based payments			342,035			342,035
Expiry of warrants			1,686,715	(1,686,715)		-
Net loss for the year					(853,373)	(853,373)
Balances, November 30, 2014	47,276,790	$ 3,536,940	$ 3,144,335	$ 375,018	$ (5,380,947)	$ 1,675,346

Augustine Ventures Inc.
Statements of Cash Flows
For the years ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)

	For the Years ended November 30, 2014	2013
Cash provided by (used in) operating activities		
Net loss for the year	$ (853,373)	$ (668,752)
Share based payments	342,035	87,380
Depreciation	19,913	26,483
Deferred tax recovery	-	(27,600)
Oil and gas interests written off	-	1
Changes in non-cash working capital items		
Sundry receivables	10,258	(20,486)
Prepaid expenses	(5,443)	(274)
Trade and other payables	204,046	201,692
Due to related parties	56,978	290,972
	(225,586)	(110,584)
Cash provided by (used in) investing activities		
Exploration and evaluation assets	(166,728)	(287,736)
	(166,728)	(287,736)
Cash provided by (used in) financing activities		
Issuance of share capital	262,500	540,000
Costs of issue - cash	(21,000)	(56,668)
	241,500	483,332
Increase (decrease) in cash and cash equivalents	(150,814)	85,012
Cash and cash equivalents, beginning of the year	163,189	78,177
Cash and cash equivalents, end of the year	$ 12,375	$ 163,189
Cash and cash equivalents consists of:		
Cash	$ 2,375	$ 153,189
Restricted cash (note 4)	10,000	10,000
	$ 12,375	$ 163,189

1. Nature of operations 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 as at November 30, 2014 and moved to 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5 on February 1, 2015 (see note 16).

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, 2014 of $1,513,775 (November 30, 2013 - $1,012,140) 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, 2014. The policies set out below are based on IFRS issued and outstanding as of March 19, 2015, 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.

2. Basis of preparation - continued

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, actual outcome could differ from these estimates. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

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.

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.

Judgment in assessing existence of impairment indicators - The impairment of the amounts shown for exploration and evaluation assets due to the judgment in determining if there are impairment indicators and estimates required to determine the present or future values of the particular properties.

3. Summary of significant accounting policies

Cash and cash equivalents

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

Property, 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 unavoidable 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.

3. **Summary of significant accounting policies - continued**

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.

At each date of the statement of financial position, the Company assesses the carrying amounts of its exploration and evaluation assets to determine whether there is objective evidence that those assets have suffered an impairment loss. 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific project 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.

3. Summary of significant accounting policies - continued

Decommissioning liabilities

A legal or constructive obligation for restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the 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, 2014 and 2013.

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.

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.

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.

3. Summary of significant accounting policies - continued

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.

Available for sale investments

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

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

Impairment of financial assets

Financial assets are assessed as to whether there is 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 profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

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 loss. The net gain or loss recognized in the statement of comprehensive income/loss incorporates any interest paid on the financial liability.

3. Summary of significant accounting policies - continued

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) that has arisen 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 profit or 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.

3. Summary of significant accounting policies - continued

Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow through basis at a premium to the market value of non-flow through common shares, any such premium is recorded as a liability on the Company's balance sheet at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow through share issuances, with an offsetting amount recognized as income.

A deferred income tax liability equal to the tax value of flow through expenditures renounced is recognized only once the Company has fulfilled its obligations associated with the renunciation of related flow through expenditures, with an offsetting debit to deferred tax expense. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow through expenditures have been incurred.

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

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

Earnings/loss per share

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

Diluted earnings/loss per 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, 2014 and 2013, cash and cash equivalents are 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.

(Expressed in Canadian Dollars)

3. Summary of significant accounting policies - continued

Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2014. Many are not applicable or do not have a significant impact on the Company and have been excluded from the table below.

IAS 32 'Financial instruments, Presentation' – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

Management has adopted the above standards in the Company's financial statements for the period beginning December 1, 2013, and has determined that there is no impact of the adoption of these standards or amendments on the financial statements of the Company.

Future accounting changes

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

IFRS 9 'Financial Instruments: Classification and Measurement' – effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

4. 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.

5. Sundry receivables

	As at November 30,	
	2014	2013
Harmonized sales tax recoverable	$ 17,944	$ 28,510
Sundry receivables	10,627	10,319
	$ 28,571	$ 38,829

Both harmonized sales tax recoverable and sundry receivables are not past due.

(Expressed in Canadian Dollars)

6. Property and equipment

	Furniture and equipment	Mining equipment	Computer equipment	Vehicles	Total
Cost					
Balance, December 1, 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
Additions	-	-	-	-	-
Balance, November 30, 2014	$ 65,500	$ 5,000	$ 33,358	$ 25,545	$ 129,403
Accumulated depreciation					
Balance, December 1, 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)
Depreciation for the year	(10,218)	(780)	(5,564)	(3,351)	(19,913)
Balance, November 30, 2014	$ (24,628)	$ (1,880)	$ (20,375)	$ (17,725)	$ (64,608)
Net book value, November 30, 2013	$ 51,090	$ 3,900	$ 18,547	$ 11,171	$ 84,708
Net book value, November 30, 2014	$ 40,872	$ 3,120	$ 12,983	$ 7,820	$ 64,795

7. Exploration and evaluation assets

	Surluga	Oakley	Brackin	Total
Balance, December 1, 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
Exploration costs	241,710	-	-	241,710
Balance, November 30, 2014	$ 2,636,176	$ 478,150	$ -	$ 3,114,326

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:

7. Exploration and evaluation assets - continued

(1) 250,000 common shares on November 10, 2010, being the date that the Ontario Ministry of Northern Development, Mines and Forestry consented 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, second and third 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 arm's length 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 US$35,000 on or before February 1, 2013, which payment was made in 2013.

Pursuant to an Amending Agreement dated October 12, 2012 with Citabar and Delta, certain terms regarding the earning of the 60% interest in the Surluga have been amended to provide that the date to have spent an additional $1,500,000 in eligible property expenditures by November 30, 2012 (for an aggregate of $2,000,000 in expenditures) had been extended to June 30, 2015. For consideration of Citabar entering into the Amending Agreement, the Company issued an additional 500,000 common shares in the capital of the Company of 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 of amending the Option Agreement, the Company shall, upon the closing of a $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. The private placement was not successful.

Effective on October 21, 2013, the Company reached a Third Amending Agreement with Citabar to further amend the Option Agreement and the Second Amending agreement. Under the Third Amending Agreement, Citabar agreed to extend the date for the Company to earn the undivided 60% interest in the Wawa Gold Project from Citabar, as a result of spending an aggregate of $4.0 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 on "having 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 the 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.

On July 14, 2014, the Company reached a Fourth Amending Agreement with Citabar to further amend the Option Agreements by Citabar and extended the date for the Company to earn the undivided 60% interest in the Wawa Gold Project from Citabar through expending by aggregation $4.0 million in eligible expenditures from June 30, 2014 to March 31, 2015. The extension to said date is subject to the Company demonstrating to the satisfaction of Citabar, in Citabar's

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets - continued

sole discretion, that the Company has received the cash proceeds of a private placement financing at least $2.6 million on or before November 30, 2014. The private placement was not completed.

The following table summarizes the Company's obligations upon signing of the Third and Fourth Amending Agreement to earn its 75% interest in the Surluga property:

	Cash payments	Issuance of common shares	Exploration expenditures
Cash payment 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	-
March 31, 2015	-	-	3,500,000
June 30, 2015	-	-	4,000,000
Total required	$ 171,947	$ 1,000,000	$ 8,000,000

On December 10, 2014 the Company entered into an Assumption Assignment and a restated Joint Venture Agreement with Red Pine Exploration (RPX on the TSX-V) or "Red Pine" and Citabar with the following terms and conditions:

1) Red Pine is required to incur $2.1 million in eligible exploration expenditures on Surluga property by June 30, 2015 in order to earn in a 30% interest in the Wawa Gold Project (collectively the Surluga and Oak Lake Properties), upon which Augustine and Citabar would hold 30% and 40%, respectively;
2) Red Pine has the right to earn one-half of an additional 15% interest (or 7.5%) in the Wawa Gold Project by incurring a further $2.0 million in eligible exploration expenditures on Surluga property by June 30, 2016, so long as a total of $4.0 million is spent in the aggregate by Red Pine and Augustine, which could be increased up to the entire 15% interest if all of such additional $4.0 million is incurred by Red Pine;
3) Red Pine also has the right to earn a pro rata interest in Augustine's existing interests in all mineral properties acquired by Augustine, including any future acquisitions, within an area of influence defined as a 5 kilometer radius from the perimeter of the Wawa Gold Project by satisfying certain criteria;
4) Upon earning in 30% interest, Red Pine will be the Manager under the terms of the JVA, which constitutes part of the Option Agreement, as amended by the Assumption Agreement;

This Assumption Assignment replaces the Fourth Amending Agreement.

As at November 30, 2014, the Company had expended a total of $1,927,392 (2013: $1,685,682) in eligible exploration expenditures.

In March 2011 and April 2012 the Company staked an additional 10 mining claims.

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").

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets - continued

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 for $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.

In 2011 the Company staked an additional 3 mining claims comprising 21 claims units located in the McMurray Township.

Brackin Township

The Company holds a 100% interest in 4 patented mining claims located in Brackin Township, Ontario. The carrying value of $1 was impaired and the property has been written off during 2013.

8. Related party transactions

The Company's key management includes CEO, CFO, Directors and the Secretory (2013) of the Board. For disclosure purpose, Citabar and its key management are considered as the Company's related parties as well due to their significant shareholdings and/or abilities to contribute to the Company's decision making process. Transactions with related parties include:

1) Management fees to CEO, CFO, Secretary (for his service of the Company's Controller);
2) Director fees to the directors of the Company;
3) Promissory notes with interest rate of 8% - 9% per annum issued to CEO, Citabar and key management of Citabar for the purpose of maintenance of the Company's operating fund

The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms. The balances outstanding are as follows:

	As at November 30,	
	2014	2013
Management fees due to officers	$ 386,000	$ 437,750
Directors fees due to directors	122,941	83,053
Promissory notes [1)]	343,190	274,350
	$ 852,131	$ 795,153

1) Balance includes interest on promissory notes accrued in the year ended November 30, 2014 of $22,186 (2013 - $5,708)

(Expressed in Canadian Dollars)

8. **Related party transactions - continued**

For the years ended November 30, 2014 and 2013, total remuneration paid to key management personnel is as follows:

	For the years ended November 30, 2014	2013
Management fees	$ 78.000	$ 180,000
Director fees	58,750	62,250
Share based payments	290,730	75,747
Total	$ 427,480	$ 317,997

During the fiscal year ended November 30, 2014, directors and officers of the Company subscribed to Nil units issued through a private placement closed on March 6, 2014 (see note 9). In 2013, a total of 2,700,000 units at the price of $0.05 per unit subscribed by the Company's directors and offices for gross proceeds of $135,000.

9. Share capital

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.

	Number of Common Shares	Amount
Balance as at November 30, 2012	33,376,790	$ 3,071,510
Private placement closed on February 7, 2013 [1)]	1,200,000	71,424
Private placement closed on February 28, 2013 [2)]	1,200,000	102,600
Private placement closed on July 4, 2013 [3)]	6,000,000	202,172
Private placement closed on November 9, 2013 [4)]	250,000	5,000
Premium of flow-through shares issued		(27,600)
Balance as at November 30, 2013	42,026,790	3,425,106
Private placement closed on March 6, 2014 [5)]	5,250,000	111,834
Balance as at November 30, 2014	47,276,790	$ 3,536,940

1) On February 7, 2013, the Company issued 800,000 non-flow through units and 400,000 flow through units at the price of $0.10 per unit for a gross proceeds of $120,000. Each flow through unit consisted of one common share and one-half of one common share purchase warrant; each non-flow through unit consisted of one common share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one common shares of the Company at a price of $0.20 per share expiring on February 7, 2015. The value of the attached warrants was estimated as $26,000 using the Black-Scholes option pricing model and was disclosed a separated component of the Company's shareholders' equity (see note 10). As a result of this private placement, the Company paid cash commissions of $19,600 and issued 96,000 broker warrants with an estimated value of $2,976 assigned to these broker warrants (see note 10).

2) On February 28, 2013, the Company issued 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 entitled 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 attached warrants was estimated as $17,400 using the Black-Scholes option pricing model and was disclosed as a separate component of the Company's shareholders' equity (see note 10). No commissions were paid as a result of this private placement.

(Expressed in Canadian Dollars)

9. Share capital - continued

3) On July 4, 2013, the Company issued 1,000,000 flow through units and 5,000,000 non-flow through units at the price of $0.05 per unit for a gross proceeds of $300,000. Each flow through unit consisted of one common share and one-half of one common share purchase warrant; each non-flow through unit consisted of one common share and one common share purchase warrant. Each whole warrant entitled 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 attached warrants was estimated as $55,000 using the Black-Scholes option pricing model and was disclosed as a separate component of the Company's shareholders' equity (see note 10). As a result of this private placement, the Company paid cash commissions of $37,068 and issued 480,000 broker warrants with an estimated value of $5,760 assigned to these broker warrants. (see note 10).

4) On November 9, 2013, the Company issued 250,000 common shares at the price of $0.05 per common shares with regard to the Delta Option Agreement.

5) On March 6, 2014, the Company issued 4,305,000 flow through units and 945,000 non-flow through units at the price of $0.05 per unit for a gross proceeds of $262,500. Each flow through unit and non-flow through unit both consisted of one common share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company at a price of $0.05 expiring on March 6, 2017. The value of the attached warrants was estimated as $111,619 with reference of Black-Scholes option pricing model (see note 10). As a result of this private placement, the Company paid cash commissions of $21,000, of which $9,706 was allocated to warrants and issued 420,000 broker warrants with an estimated value of $18,047 assigned to these broker warrants. (see note 10).

10. Reserves

Reserve for warrants

The reserve for warrants represent share purchase warrants the Company issued in connection with private placements.

The following summarized warrants transactions and the number of warrants outstanding:

	Number of outstanding warrants	Value of warrants	Weighted average life	Weighted average exercise price
Balance as at November 30, 2012	14,595,625	$ 2,091,014	1.2	$ 0.40
Warrants issued (note 9 – 1,2,3))	7,100,000	98,400	2.0	0.12
Warrants expired	(1,633,125)	(239,300)	0.0	0.40
Balance as at November 30, 2013	20,062,500	1,950,114	0.7	0.30
Warrants issued (note 9 – 5))	5,250,000	111,619	2.3	0.05
Warrants expired	(11,962,500)	(1,686,715)	0.0	0.41
Balance as at November 30, 2014	13,350,000	$ 375,018	1.3	$ 0.10

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted or expired during the years ended November 30, 2014 and 2013:

	Years ended November 30, 2014	2013
Risk-free interest rate (%)	1.16	1.18
Grant date share price ($)	0.05	0.03
Expected volatility (%)	169	155
Expected life (years)	3.0	0.5
Expected dividend yield (%)	-	-

(Expressed in Canadian Dollars)

10. Reserves – continued

The Company has determined its expected volatility based on the historical market price of its issued outstanding common shares.

The following share purchase warrants were outstanding as at November 30, 2014:

	Number of warrants	Expiry date	Exercise price ($)
Warrants issued on March 22, 2012	1,000,000	21-Mar-16	$0.25
Warrants issued on February 7, 2013	1,000,000	07-Feb-15	$0.20
Warrants issued on February 28, 2013	600,000	28-Feb-15	$0.20
Warrants issued on July 4, 2013	5,500,000	04-Jul-15	$0.10
Warrants issued on March 6, 2014	5,250,000	06-Mar-17	$0.05
Total	13,350,000		$0.10

Reserve for share based payments

Reserve for share based payments relates to stock options and compensation warrants that have been issued by the Company and for expired warrants issued in private placements. The following summarized share-bases payments transactions during the years ended November 30, 2014 and 2013:

	For the years ended November 30, 2014	2013
Opening balance as at beginning of the year	$ 1,097,538	$ 762,122
Share based payments [1)]	342,035	87,380
Fair value of compensation warrants (note 9-1,3,5))	18,047	8,736
Reallocation of value from expired warrants	1,686,715	239,300
Closing balance as at end of the year	$ 3,144,335	$ 1,097,538

1) Stock options

The Company has an incentive stock options plan (the "Plan") under which it is authorized to grant stock options to the Company's employees, directors and officers and persons providing ongoing services to the Company, with a fixed number of maximum options available to be granted that approved at the discretion of the Company's Board of Directors. As at November 30, 2014 the maximum number of common shares which may be set aside for issuance under the Plan was 9,408,081 common shares.

The Plan allows for the option price at the time each option is granted to be not less than the closing marketed price of the Company's common shares on the day immediately preceding the day upon which the option is granted. Options granted under the Plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the CSE.

(Expressed in Canadian Dollars)

10. Reserves – continued

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year ended November 30, 2014			Year ended November 30, 2013		
	Number of options	Weighted average exercise price ($)	Weighted average expected life (years)	Number of options	Weighted average exercise price ($)	Weighted average expected life (years)
Outstanding - beginning of year	3,885,500	$ 0.12	1.82	3,307,500	$ 0.20	0.13
Granted	6,000,000	0.065	4.79	2,930,000	0.20	2.27
Exercised	-	-	-	-		-
Expired	(955,000)	0.19	-	(2,352,500)	0.20	-
Forfeited	(75,000)	0.10	-	-	-	-
Outstanding - end of year	8,855,000	$ 0.08	3.66	3,885,000	$ 0.12	1.82
Exercisable - end of year	8,855,000	$ 0.08	3.66	3,802,500	$ 0.12	1.84

As at November 30, 2014 and 2013, the Company' outstanding stock options consists the following:

As at November 30, 2014			As at November 30, 2014		
Options issued	Exercise price	Expiry date	Options issued	Exercise price	Expiry date
-	-	-	60,000	0.10	November 24, 2014
-	-	-	220,000	0.20	January 1, 2014
-	-	-	675,000	0.20	June 1, 2014
330,000	0.10	January 24, 2015	330,000	0.10	January 24, 2015
2,525,000	0.10	April 30, 2016	2,600,000	0.10	April 30, 2016
6,000,000	0.065	Sept.10, 2019	-	-	-
8,855,000			3,885,000		

During the year ended November 30, 2014 the Company granted 6,000,000 (2013 – 2,930,000) stock options to directors, officers, employees and consultants resulting in share based compensation expenses using the Black-Scholes option pricing model of $342,035 (2013 - $87,380). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the current year was $0.057 (2013 – 0.024)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the years:

	Year ended November 30,	
	2014	2013
Risk-free interest rate (%)	1.88	0.989
Grant date share price ($)	0.06	0.039
Expected volatility (%)	174.9	154.00
Expected life (years)	5	2.89
Expected dividend yield (%)	-	-

(Expressed in Canadian Dollars)

10. Reserves – continued

2) Compensation warrants

	Year ended November 30, 2014			Year ended November 30, 2013		
	Number of warrants	Weighted average exercise price ($)	Weighted average expected life (years)	Number of warrants	Weighted average exercise price ($)	Weighted average expected life (years)
Outstanding - beginning of year [1)]	1,728,500	$ 0.15	1.51	1,152,500	$ 0.20	2.42
Granted [2)]	420,000	0.050	2.27	576,000	0.06	1.52
Expired	(52,500)	0.20	-	-	-	-
Outstanding - end of year	2,096,000	$ 0.13	1.26	1,728,500	$ 0.15	1.51
Exercisable - end of year	2,096,000	$ 0.13	1.26	1,728,500	$ 0.15	1. 51

1) As a result of a private placement of the Company closed in 2011, the Company issued at arm’s length and aggregate of 1,020,000 compensation warrants where each compensation warrant entitles the holder thereof to purchase one Unit of the Company’s securities 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 on additional common share of the Company at $0.40 expiring two years from the date of the Liquidity Event.

   As at November 30, 2014 and 2013, such Liquidity Event has not incurred, and hence the total 1,020,000 broker warrants were included in the number of warrants outstanding at the beginning of both years, and not included into the calculation of weighted average life for the warrants as no specific expiry date is applicable.

2) During the year ended November 30, 2014 the Company granted 420,000 (2013 – 576,000) compensation warrants to agents as commissions to close private placements, and resulting in compensation warrants expenses recorded as share issuance cost using the Black-Scholes option pricing model of $18,047 (2013 - $8,736). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the compensation granted during the current year was $0.043 (2013 – 0.015)

The following weighted average assumptions were used for the Black-Scholes valuation of compensation warrants granted during the years:

	Year ended November 30, 2014	2013
Risk-free interest rate (%)	1.16	1.165
Grant date share price ($)	0.05	0.026
Expected volatility (%)	169.2	155.00
Expected life (years)	3.0	2.0
Expected dividend yield (%)	-	-

11. Basic and diluted loss per share

	Years ended November 30, 2014	Years ended November 30, 2013
Basic and diluted loss per share	$ (0.019)	$ (0.018)

The calculation of basic and diluted loss per shares for the years ended November 30, 2014 and 2013 was based on the loss attributable to common shareholders of $853,373 (2013 - $668,752) and the weighted average number of common shares outstanding of 45,910,352 (2013 - 37,713,639).

Diluted loss per share did not include the effect of 8,855,000 stock options, 2,096,000 compensation warrants and 13,350,000 warrants issued attached to common shares, as the effect would be anti-dilutive.

12. Financial instruments and risk exposures

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

Financial assets and financial liabilities as at November 30, 2014 and 2013 are as follows:

	As at November 30, 2014				As at November 30, 2013			
	Other liabilities (S)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total	Other liabilities (S)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total
Cash and cash equivalents	-	-	2,375	2,375	-	-	153,189	153,189
Sundry receivables	-	28,571	-	28,571	-	38,829	-	38,829
Accounts payable and accrued liabilities	703,525	-	-	703,525	424,497	-	-	424,497
Restricted cash	-	-	10,000	10,000	-	-	10,000	10,000
Due to related parties	852,131	-	-	852,131	795,153	-	-	795,153

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. Included as part of the due to related parties amounts are notes payable bearing interest rates of 8-9% per annum and have not been repaid as of November 30, 2014 and 2013 (see note 8 for additional details). The remaining due to related parties amounts bear no interest, have no specific terms of repayment and are 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. All of the balances due to related parties were settled subsequent to the year end (see note 16).

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.

Financial risks

The Company has exposure to the following risks from its use of 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.

12. Financial instruments and risk exposures - continued

Credit risk

Credit risk is the risk of an unexpected loss if a financial instrument fails to meet its contractual obligations. The Company's cash is mainly held through a chartered Canadian financial institution.

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, 2014 the Company has working capital deficiency of $1,513,775 (2013 - $1,022,140). 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.

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, 2014 because none of the Company's assets or liabilities bears interest at variable rates.

13. 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, 2014 totaled $1,675,346 (November 30, 2013 - $1,945,184)

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, 2014 from 2013.

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

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 results. All of the Company's operations and assets are situated in Ontario, Canada.

(Expressed in Canadian Dollars)

14. 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:

	Years ended November 30, 2014	2013
Net loss before tax from continuing operations	$ 853,373	$ 668,752
Income tax expenses at combined federal and provincial rates of 26.50% and 26.50% (2013: 26.50% and 26.65%)	(226,144)	(177,219)
Share based payments	90,639	23,156
Cost of issuance	(18,744)	(17,631)
Others	-	7,711
Discharge of flow through share liabilities	-	(27,600)
	(154,249)	(191,583)
Tax benefits not recognized	154,249	163,983
Deferred income tax expenses / (recovery)	$ -	$ (27,600)

Temporary differences giving rise to deferred income tax assets and deferred income tax liabilities are presented below:

	Years ended November 30, 2014	2013
Deferred tax assets		
Tax loss carry-forward	$ 916,849	$ 845,116
Share issuance costs	29,767	42,945
Capital assets	17,121	11,844
Total deferred tax assets	963,737	899,905
Deferred tax liabilities		
Temporary differences	(311,638)	(298,991)
Impairment allowance	(652,099)	(600,914)
Total deferred tax liabilities	$ -	$ -

The potential income tax benefits of these carry-forward non-capital losses, share issuance costs, and mining interest have not been recognized in the financial statements as 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, 2014, 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 ($)
2015	81,000
2016	73,000
2017	90,000
2018	91,000
2019	99,000
2020	124,000
2021	892,000
2022	1,021,000
2023	425,000
2024	564,000
	3,460,000

(Expressed in Canadian Dollars)

15. Commitments

Office leases

In accordance with the office license agreements the Company has signed and the updated monthly lease statements issued by the landlord, the Company was bearing rental expenses of $3,946 for December 2014 and January 2015. Since February 1, 2015, the Company signed a new office sublease agreement (see note 16-6)) with monthly office lease of $1,200 at a term of month by month. As of November 30, 2014, the Company was committed to office lease payment as below:

	Amount
2015	$ 7,892

Surluga property

Pursuant to the acquisition agreements of the Surluga property in 2009 and the amendments agreements giving effective afterwards (see note 7 - Exploration and evaluation assets and note 16-1)), the Company has a minimum commitment as of March 2015 to spend the following remaining exploration expenditures to earn its 30% interest in the property, given that Red Pine will fully commit to its obligation of spending eligible expenditures in total of $2.1 million in earning 30% interest of the property as well.

	Exploration expenditure	Cumulative interest to be earned
Upon Completion of financing		
March, 2015	$ 31,187	30%

16. Events after the reporting period

1) On December 10, 2014, the Company entered into an assignment and assumption agreement with Red Pine Exploration Inc. (TSX-V: RPX) ("Red Pine") and Citabar (the "2014 Assumption Agreement") pursuant which the parties have agreed to amend the Surluga Property Option Agreement ("Option Agreement") with the following major terms:
   - Red Pine to incur $2.1 million eligible exploration expenditures by June 30, 2015 in order to earn in a 30% interest in the Wawa Gold Project, upon which Augustine and Citabar would hold 30% and 40% interest, respectively;
   - Red Pine has the right to earn one-half of an additional 15% interest (or 7.5%) in the Wawa Gold Project by incurring a further $2.0 million in eligible exploration expenditures by June 30, 2016, so long as a total of $4.0 million is spent in the aggregate by Red Pine and the Company, which could be increased up to the entire 15% interest if all of such additional $4.0 million is incurred by Red Pine;
   - Red Pine also has the right to earn a pro rata interest in the Company's existing interests in all mineral properties acquired already, including any future acquisitions within an area of influence defined as a 5 kilometer radius from the perimeter of the Wawa Gold Project by satisfying certain criteria;
   - Upon earning in 30% interest, Red Pine will be the Manager under the terms of a JVA, which constitutes part of the Option Agreement, as amended by the 2014 Assumption Agreement;

   This Assumption Assignment replaces the Fourth Amending Agreement.

2) On December 12, 2014, the Company announced a brokered private placement to raise up to $700,000 (the "Financing"). The Company has engaged IBK Capital Corp. ("IBK Capital") for this financing on a best efforts basis.

   The Company proposed to issue i) up to $4,000,000 flow through units ("FT Units") at $0.05 per FT Unit, with each FT Unit consisting of one common shares of the Company on a "flow-through" basis pursuant to the Income Tax Act (Canada) and one non-flow-through ("NFT") common share purchase warrant (a "Warrant"); ii) up to 10,000,000 hard dollar units ("NFT Units") at $0.05 per NFT Unit with each NFT Unit consisting of one non-flow-through common share and one non-flow-through common share purchase warrant (a "Warrant"). One full Warrant allows the holder to acquire one NFT common shares of the Company (a "Warrant Share") for a period of four years at an exercise price of $0.05 per Warrant Share. The management and directors of the Company will subscribe for approximately 5,600,000 NFT units.

16. Events after the reporting period - continued

3) Subsequent to year end the Company issued two promissory notes (the "Notes") in the aggregate amount of $43,000, bearing annual interest of 8% payable on the first day of each month due. One of the Notes, in the amount of $25,000 was held by a corporation controlled and/or directed by the President and CEO of the Company, the remaining Note totaling $18,000 is held by an arm's length party to the Company. The Notes have a maturity date of January 14, 2016, and June 30, 2015 respectively and are secured by general security agreement. On February 9, 2015 and February 27, 2015 both notes were settled through the issuance of Debt Units (see Notes 16-4 and Note 16-5).

4) On February 9, 2015, the Company closed the first tranche of the brokered private placement with an offering 1,500,000 FT Units at the price of $0.05 per FT Unit and an aggregate of 930,000 NFT Units at the price of $0.05 per NFT Unit for gross proceeds of $121,500. In addition, the Company issued an aggregate of 3,911,110 NFT Units at the price of US$0.045 per NFT Unit for gross proceeds of US$176,000.

   In connection of with the Financing, the Company has paid IBK Capital a cash commission of 8% of the funds raised and broker warrants in the number of 8% of the FT and NFT Units, excluding the NFT Units issued to the US subscribers, issued through this offering. Each broker warrant allows the holder to acquire one NFT Unit of the Company at an exercise price of $0.05 per NFT Unit at any time on or before February 9, 2019. The proceeds from this financing will be used for exploration purposes at the Company's Wawa Gold Project and for working capital purposes.

   On February 9, 2015, the Company issued in aggregate of 7,009,428 units ("the Debt Units") to certain creditors of the Company in exchange for the cancellation of an aggregate of $350,471 debt owing to the creditors. The Debt Units were issued at a deemed price of $0.05 per Debt Unit. Some of the creditors or officers and /or directors of the Company. Each Debt Unit consists of one common shares and one common share purchase warrant (the "Debt Warrant"). Each Debt Warrant allows the holder thereof to acquire one common share at an exercise price of $0.10 per common share at any time on or before February 9, 2019.

   All securities issued pursuant to the offering and debt exchanging are subject to a statutory four months hold period expiring on June 10, 2015.

5) On February 27, 2015, the Company closed the second tranche of the brokered private placement with an offering of 1,000,000 units ("Units) at a price of US Dollar $0.045 per Unit for gross proceeds of US Dollar $45,000. Each Unit consisted of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holders to acquire one common share in the capital of the Company (a "Warrant Share") at an exercise price of Canadian Dollar $0.05 or US Dollar $0.045 per Warrant Share at any time until close of business on February 25, 2019.

   In connection with the private placement closing, the Company has issued in aggregate of 5,302,528 non flow through units ("Debt Unit) in exchange for the cancellation of an aggregate of $265,126 in debt owed to several creditors. Each Debt Unit consists of one common shares and one common share purchase warrant (a "Debt Warrant"). 5,062,258 Debt Warrants entitled the holders to acquire one common share in the capital of the Company at an exercise price of $0.05 per Debt Warrant Share and 240,000 Debt Warrant entitled the holders to acquire one common share in the capital of the Company at an exercise price of $0.10 per Debt Warrant Share.

   All securities issued pursuant to the offering are subject to statutory four mounts hold period expiring on June 26, 2015.

6) Pursuant to a Commercial Sublease Agreement the Company signed with Red Pine Exploration Inc., the Company moved its office to 141 Adelaide Street West, Suite 520, Toronto, Ontario, M5H 3L5 on February 1, 2015.

17. Comparatives

Certain of the prior year's numbers have been reclassified and item descriptions changed to conform to the current year's presentation.