Blue Sky Uranium Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2013 AND 2012

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

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

Blue Sky Uranium Corp.
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2013 $	December 31, 2012 $
ASSETS			
Non-current assets			
Equipment	4	9,926	19,854
Mineral property interests	5	2,762,462	2,734,655
Total non-current assets		2,772,388	2,754,509
Current assets			
Prepaid expenses		33,853	80,816
Amounts receivable		5,240	40,382
Exploration advances	6	-	36,174
Short-term investments	3	-	650,000
Cash		280,734	161,236
Total current assets		319,827	968,608
Total Assets		3,092,215	3,723,117
EQUITY			
Share capital	7	18,852,174	18,784,971
Reserves	7	3,870,316	3,851,039
Accumulated deficit		(19,720,479)	(19,027,505)
Total Equity		3,002,011	3,608,505
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		45,376	114,612
Exploration advances	6	44,828	-
Total Liabilities		90,204	114,612
COMMITMENT (Note 11)			
Total Equity and Liabilities		3,092,215	3,723,117

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
EVENTS AFTER THE REPORTING PERIOD (Note 14)

These consolidated financial statements are authorized for issue by the Board of Directors on November 13, 2013. They are signed on the Company's behalf by:

"Sean Hurd" , Director

"Ron McMillan" , Director

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

Blue Sky Uranium Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Expenses					
Accounting and audit		-	-	16,024	-
Depreciation		3,310	4,572	9,928	7,102
Corporate development and investor relations		11,099	35,492	94,410	64,154
Exploration	5	246,505	245,360	779,379	719,173
Exploration and other costs recovery	6	(287,236)	(271,444)	(868,998)	(748,991)
Foreign exchange (gain) loss		4,631	356	1,447	15,402
Management fees	8	36,900	56,400	153,900	169,200
Office and sundry	8	26,209	29,519	94,861	71,943
Professional and consulting fees		50,049	33,116	168,270	147,539
Rent, parking and storage	8	14,700	23,865	49,354	60,558
Salaries and employee benefits		36,000	34,621	154,412	70,189
Share-based compensation		-	100,898	-	109,093
Transfer agent and regulatory fees		724	5,503	14,444	20,820
Travel and accommodation		11,610	7,564	27,591	47,756
Loss from operating activities		154,501	305,822	695,022	753,938
Gain on sale of mineral properties		-	-	-	(95,298)
Interest income		(8)	(1,913)	(2,048)	(2,192)
Write-off of mineral property interests		-	42,942	-	42,942
Loss and comprehensive loss for the period		154,493	346,851	692,974	699,390
Basic and diluted loss per common share	9	($0.01)	($0.02)	($0.03)	($0.06)

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

Blue Sky Uranium Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	$	$	$	$
Cash flows from operating activities				
Loss for the period	(154,493)	(346,851)	(692,974)	(699,390)
Depreciation	3,310	4,572	9,928	7,102
Gain on sale of mineral properties	-	-	-	(95,298)
Share-based compensation	-	100,898	-	109,093
Write-off of mineral property interests	-	42,942	-	42,942
	(151,183)	(198,439)	(683,046)	(635,551)
Change in deposit	-	-	-	60,000
Change in non-cash working capital items:				
(Increase) decrease in amounts receivable	3,528	27,087	35,142	36,123
(Increase) decrease in prepaid expenses	17,252	(44,048)	46,963	(47,852)
Increase (decrease) in accounts payable and accrued liabilities	(80,009)	(515,856)	(69,236)	(222,826)
Increase (decrease) in exploration advances	(137,236)	(21,444)	81,002	251,009
Net cash used in operating activities	(347,648)	(752,700)	(589,175)	(559,097)
Cash flows from investing activities				
Purchase of short term investments	-	(400,000)	-	(750,000)
Redemption of short term investments	150,000	50,000	650,000	200,000
Proceeds upon disposition of mineral properties	-	-	-	100,000
Mineral property interests acquisitions	-	(21,297)	(27,807)	(36,186)
Property and equipment acquisitions	-	(5,576)	-	(5,576)
Cash and short term investments acquired upon acquisition of Windstorm Resources Inc. less transaction costs paid	-	1,356,764	-	1,356,764
Net cash used in investing activities	150,000	979,891	622,193	865,002
Cash flows from financing activities				
Issuance of common shares and warrants	-	670,000	94,000	670,000
Share issue costs	-	(20,400)	(7,520)	(20,400)
Net cash generated by financing activities	-	649,600	86,480	649,600
Net increase (decrease) in cash	(197,648)	876,791	119,498	955,505
Cash at beginning of period	478,382	131,125	161,236	52,411
Cash at end of period	280,734	1,007,916	280,734	1,007,916

SUPPLEMENTARY CASH FLOW INFORMATION (Note 12)

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

Blue Sky Uranium Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares[1]	**Amount $**	**Contributed Surplus $**	**Equity settled share-based payments $**	**Warrants $**	**Accumulated Deficit $**	**Total $**
Balance at December 31, 2011	8,701,989	17,016,485	1,355,629	1,268,438	843,478	(17,776,330)	2,707,700
Private placements	6,700,000	443,594	-	-	226,406	-	670,000
Share issue costs	-	(35,112)	-	-	-	-	(35,112)
Agent's warrants granted	-	-	-	-	14,712	-	14,712
Acquisition of Windstorm Resources Inc.	8,000,021	1,360,004	-	29,876	519	-	1,390,399
Share-based compensation	-	-	-	109,093	-	-	109,093
Stock options expired	-	-	204,534	(204,534)	-	-	-
Warrants expired	-	-	494,208	-	(494,208)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(699,390)	(699,390)
Balance at September 30, 2012	23,402,010	18,784,971	2,054,371	1,202,873	590,907	(18,475,720)	4,157,402
Share-based compensation	-	-	-	2,888	-	-	2,888
Stock options expired	-	-	218,508	(218,508)	-	-	-
Warrants expired	-	-	308,682	-	(308,682)	-	-
Agent's warrants expired	-	-	17,865	-	(17,865)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(551,785)	(551,785)
Balance at December 31, 2012	23,402,010	18,784,971	2,599,426	987,253	264,360	(19,027,505)	3,608,505
Private placements	1,175,000	77,685	-	-	16,315	-	94,000
Share issue costs	-	(10,482)	-	-	-	-	(10,482)
Agent's warrants granted	-	-	-	-	2,962	-	2,962
Stock options expired	-	-	562,305	(562,305)	-	-	-
Warrants expired	-	-	23,179	-	(23,179)	-	-
Agent's warrants expired	-	-	64	-	(64)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(692,974)	(692,974)
Balance at September 30, 2013	24,577,010	18,852,174	3,184,974	424,948	260,394	(19,720,479)	3,002,011

[1] On April 2, 2012, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively adjusted.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering (the "Offering") and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction (the "QT") and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company.

On July 5, 2012, the Company acquired 100% of the outstanding common shares of Windstorm Resources Inc. ("Windstorm"), a Canadian junior mining and exploration company, which became a wholly-owned subsidiary of the Company. The Company issued to each shareholder of Windstorm 0.38868 (the "Share Exchange Ratio") of a common share in the capital of the Company in exchange for each Windstorm common share held by such shareholder. No fractional shares of the Company were issued, and fractions were rounded down to the nearest lower whole share. The holders of outstanding stock options and warrants of Windstorm received equivalent stock options and warrants of the Company as adjusted by the Share Exchange Ratio. As a result of the acquisition, the Company issued 8,000,021 common shares to Windstorm shareholders. The results of Windstorm, which include its wholly-owned subsidiary Viento de Oro S.A. de C.V., have been consolidated with the results of the Company commencing on July 5, 2012.

The address of the Company's registered office is Suite 709 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

The Company has experienced recurring operating losses and has an accumulated deficit of $19,720,479 at September 30, 2013 (December 31, 2012 - $19,027,505) and equity of $3,002,011 at September 30, 2013 (December 31, 2012 – $3,608,505). In addition, the Company had working capital of $229,623 at September 30, 2013 (December 31, 2012 – $853,996). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the Nine months ended September 30, 2013.

Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky BVI Uranium Corp.	British Virgin Islands	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Non-derivative financial assets

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Financial assets are classified at fair value through profit or loss if they are classified as held for trading or are designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Short term investments are FVTPL.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and amounts receivable.

(iii) Other financial liabilities

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Equipment

Equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over its estimated useful lives of two years for geological equipment and computer software. Depreciation of an asset begins once it is available for use.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage in considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.
Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount

Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment. Mineral property interests are classified as intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents are classified as loans and receivables and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrant equity.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss. The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

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

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Estimates and Judgments

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

i. the estimated useful lives of equipment which are included in the Condensed Consolidated Interim Statements of financial position and the related depreciation included in profit or loss;

ii. the inputs used in accounting for share-based compensation expense in profit or loss;

iii. the assessment of indications of impairment of each mineral property interest and related determination of the net realizable value and write-down of those interests where applicable; and,

iv. the valuation of consideration paid for the acquisition of Windstorm Resources Inc. and fair value of assets and liabilities acquired.

Critical accounting judgments

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

ii. the analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

New Accounting Standards and Interpretations

In 2011, the International Accounting Standards Board issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 – Financial Instruments

IFRS 9 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 income statement, unless this creates an accounting mismatch. The Company intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2015.

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

3. SHORT-TERM INVESTMENTS

As at September 30, 2013 the Company did not hold short term investments.

The Company held the following short term investments as at December 31, 2012:

	December 31, 2012	
	Maturity	Amount
Guaranteed Investment Certificate		
- Prime minus 1.95% annual interest rate	July 12, 2013	$400,000
- Prime minus 1.95% annual interest rate	September 12, 2013	$250,000
		$650,000

4. PROPERTY AND EQUIPMENT

	Computer Software $	Geological Equipment $	Total $
Cost			
Balance at December 31, 2012	26,469	10,120	36,589
Balance at September 30, 2013	26,469	10,120	36,589
Accumulated Depreciation			
Balance at December 31, 2012	6,615	10,120	16,735
Depreciation	9,928	-	9,928
Balance at September 30, 2013	16,543	10,120	26,663
Carrying Amount			
At December 31, 2012	19,854	-	19,854
At September 30, 2013	9,926	-	9,926

(Unaudited - Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS

The schedule below summarizes the carrying costs of acquisition costs to date for each mineral property interest that the Company is continuing to explore as at September 30, 2013 and December 31, 2012:

Acquisition Costs

	Argentina						Mexico	
	Santa Barbara $	**Anit** $	**Ivana** $	**Sierra Colonia** $	**Tierras Coloradas** $	**Other** (Note 5e) $	**General** $	**Total** $
Balance – December 31, 2012	814,430	960,404	17,852	27,024	34,611	880,334	-	2,734,655
Additions:								
Land payments and staking fees	-	-	4,895	2,973	-	19,939	-	27,807
	-	-	4,895	2,973	-	19,939	-	27,807
Balance – September 30, 2013	814,430	960,404	22,747	29,997	34,611	900,273	-	2,762,462

The schedules below summarizes the carrying costs of all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at September 30, 2013 and September 30, 2012:

	Argentina					
	Santa Barbara $	**Anit** $	**Ivana** $	**Sierra Colonia** $	**Other** (Note 5e) $	**Total** $
Cumulative exploration costs – December 31, 2012	956,294	3,643,594	1,733,407	456,956	478,918	7,269,169
Expenditures during the period:						
Assays	-	-	211	619	-	830
Community relations	-	-	7,163	7,565	3,152	17,880
Geophysics	-	-	12,678	13,410	5,744	31,832
Office	2,629	-	53,114	76,471	12,777	144,991
Salaries and contractors	-	-	124,565	141,893	97,568	364,026
Supplies and equipment	-	-	24,182	69,327	19,819	113,328
Transportation	-	-	16,559	35,445	11,305	63,309
Statutory taxes	154	-	13,988	20,221	8,820	43,183
	2,783	-	252,460	364,951	159,185	779,379
Cumulative exploration costs – September 30, 2013	959,077	3,643,594	1,985,867	821,907	638,103	8,048,548

(Unaudited - Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS (continued)

	Argentina					Mexico	
	Santa Barbara $	**Anit** $	**Ivana** $	**Sierra Colonia** $	**Other** (Note 5e) $	**General** $	**Total** $
Cumulative exploration costs – December 31, 2011	894,994	3,640,863	1,078,753	193,995	451,473	-	6,260,078
Expenditures during the period:							
Assays	-	-	4,866	2,115	471	-	7,452
Community relations	794	-	11,751	4,120	2,024	-	18,689
Drilling	-	-	-	-	7,329	-	7,329
Geophysics	1,397	-	20,048	7,332	3,431	-	32,208
Office	4,843	1,281	72,026	17,299	8,686	-	104,135
Salaries and contractors	19,852	1,281	231,190	79,873	17,741	1,263	351,200
Supplies and equipment	5,459	-	65,217	19,842	2,347	-	92,865
Transportation	3,179	-	44,768	15,625	1,342	-	64,914
Statutory taxes	2,354	170	29,813	9,689	2,874	(4,519)	40,381
	37,878	2,732	479,679	155,895	46,245	(3,256)	719,173
Properties no longer being explored	-	-	-	-	-	3,256	3,256
Cumulative exploration costs – September 30, 2012	932,872	3,643,595	1,558,432	349,890	497,718	-	6,982,507

a) *Santa Barbara Property*
The Company owns a 100% interest in the 476 km^2 Santa Barbara uranium property in the Province of Rio Negro, located in the northern Patagonia region of Argentina.

b) *Anit Property*
The Company owns a 100% interest in the 260 km^2 Anit uranium property, which lies to the south of the Santa Barbara Property in the Province of Rio Negro, Argentina.

c) *Ivana Property*
The Company owns a 100% interest in the 713 km2 Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the northern Patagonia region of Argentina.

d) *Sierra Colonia Property*
The Company owns a 100% interest in the 399 km^2 Sierra Colonia property in the central part of the province of Chubut, Argentina.

e) *Other –Rio Negro and Chubut*
The Company owns 100% interests in the 550 km^2 Nicky property and 340 km^2 Cabeza de Potro property in the Province of Rio Negro, Argentina. The Company owns a 100% interest in the 864 km^2 Cerro Parva property in the Province of Chubut, Argentina. The Company owns a 100% interest in the 1,355 km^2 Tierras Coloradas property east of the Sierra Colonia property in the province of Chubut, Argentina. These are early stage exploration projects and management continues to evaluate results obtained to date for further exploration potential.

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION ADVANCES AND COSTS RECOVERY

On January 4, 2012, the Company announced entering into a Memorandum of Understanding ("MOU") with AREVA Mines ("AREVA") to jointly explore for uranium deposits in Argentina. Under the terms of the MOU the following commitments have been made (amounts in CAD):

(i) AREVA can select one or two projects and earn a 51% interest by:
   i. Funding $1 million in exploration in year one (received).
   ii. Funding $2 million in exploration in year two.
   iii. Funding $3 million in year three on the project AREVA selects if only one project is selected, or
   iv. Funding a total of $4 million in exploration on two projects if AREVA selects two projects.

(ii) At the end of year two, the Company will retain a 100% interest in all projects except the one (or two) project(s) AREVA selects to earn a 51% interest.

(iii) On newly acquired uranium targets in Argentina that are not listed in this MOU, AREVA can elect to earn a 51% interest by funding $1 million in exploration on each new target.

(iv) For any non-uranium discoveries made the Company will retain a 100% interest.

The schedule below summarizes the exploration and other costs recovery at each mineral property interest for the nine months ended September 30, 2013 and September 30, 2012:

	September 30, 2013	September 30, 2012
Exploration expenses incurred		
Santa Barbara	2,783	37,878
Anit	-	2,732
Ivana	252,461	479,679
Sierra Colonia	364,949	155,895
Other	159,185	46,245
Legal fees	43,144	22,503
Foreign exchange translation of Argentinean pesos, US and Canadian dollars	46,476	4,059
Exploration and other costs recovery	868,998	748,991

At September 30, 2013, the Company has received the following in funding from AREVA:

	Amount ($)
Exploration and other costs recovery	868,998
Exploration advances receivable	36,174
Less: Year two exploration funding for the period	(950,000)
Exploration liability	(44,828)

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION ADVANCES AND COSTS RECOVERY (Continued)

At September 30, 2012, the Company has received the following in funding from AREVA:

	Amount ($)
Exploration and other costs recovery	748,991
Less: Year one exploration funding for the period	(1,000,000)
Exploration liability	(251,009)

Effective November 12, 2013, the Company and AREVA signed an amendment to the terms of the MOU dated December 20, 2011. Refer to Note 14.

7. SHARE CAPITAL AND RESERVES

(a) Authorized Share Capital

At September 30, 2013, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Capital Restructuring

On April 2, 2012, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively adjusted.

(c) Issued Share Capital

At September 30, 2013, the issued share capital comprised 24,577,010 common shares (December 31, 2012 – 23,402,010).

Details of Private Placement Issues of Common Shares in 2013 and 2012

In March 2013, the Company completed a non-brokered private placement consisting of 1,175,000 units at a price of $0.08 per unit for gross proceeds of $94,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.15 per share for one year from the date of issue of the warrant. Finders' fees were $7,520 of cash and 94,000 non-transferable warrants exercisable into common shares at $0.15 per share for one year having a fair value of $2,962. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.00%; expected stock price volatility – 133.36%; dividend yield of 0%; and expected warrant life of 1.40 years.

In September 2012, the Company completed a non-brokered private placement consisting of 6,700,000 units at a price of $0.10 per unit for gross proceeds of $670,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.15 per share for 2 years from the date of issue of the warrant. Finders' fees were $20,400 of cash and 204,000 warrants exercisable into common shares at $0.15 per share for 2 years having a fair value of $14,712. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.20%; expected stock price volatility – 135.46%; dividend yield of 0%; and expected warrant life of 1.35 years.

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (Continued)

(d) *Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted vest immediately, are subject to a four-month hold period and are exercisable for a period of five years.

The continuity of share purchase options for the nine months ended September 30, 2013 is as follows:

Expiry date	Exercise Price	December 31, 2012	Granted	Exercised	Expired/ forfeited	September 30, 2013	Options exercisable
January 25, 2013	$4.00	1,500	-	-	(1,500)	-	-
May 6, 2014	$1.50	125,500	-	-	(93,000)	32,500	32,500
July 6, 2014	$1.50	30,000	-	-	(30,000)	-	-
July 22, 2014	$1.80	7,500	-	-	(7,500)	-	-
December 9, 2014	$6.50	35,000	-	-	(29,150)	5,850	5,850
March 4, 2015	$0.51	116,604	-	-	(77,736)	38,868	38,868
March 15, 2015	$7.30	10,000	-	-	-	10,000	10,000
September 28, 2015	$0.64	97,170	-	-	(97,170)	-	-
October 5, 2015	$2.60	244,000	-	-	(171,500)	72,500	72,500
October 29, 2015	$2.50	7,500	-	-	(7,500)	-	-
December 10, 2015	$1.16	233,207	-	-	(207,943)	25,264	25,264
March 2, 2016	$1.08	64,132	-	-	-	64,132	64,132
May 31, 2016	$2.20	60,000	-	-	-	60,000	60,000
July 28, 2016	$0.41	38,868	-	-	(38,868)	-	-
September 25, 2016	$1.00	20,000	-	-	-	20,000	20,000
September 24, 2017	$0.12	972,500	-	-	(37,500)	935,000	935,000
		2,063,481	-	-	(799,367)	1,264,114	1,264,114
Weighted average exercise price		$0.95	-	-	$1.53	$0.58	$0.58
Weighted average contractual remaining life (years)		3.6	-	-	-	3.4	3.4

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

The continuity of share purchase options for nine months ended September 30, 2012 is as follows:

Expiry date	Exercise Price	December 31, 2011[1]	Granted	Exercised	Expired/ forfeited	September 30, 2012[1]	Options exercisable
February 10, 2012	$6.60	7,500	-	-	(7,500)	-	-
June 1, 2012	$10.00	21,500	-	-	(21,500)	-	-
December 17, 2012	$1.18	-	23,319	-	-	23,319	23,319
January 25, 2013	$4.00	1,500	-	-	-	1,500	1,500
May 6, 2014	$1.50	146,500	-	-	(21,000)	125,500	125,500
July 6, 2014	$1.50	30,000	-	-	-	30,000	30,000
July 22, 2014	$1.80	7,500	-	-	-	7,500	7,500
December 9, 2014	$6.50	71,500	-	-	(5,000)	66,500	66,500
March 4, 2015	$0.51	-	116,604	-	-	116,604	116,604
March 15, 2015	$7.30	10,000	-	-	-	10,000	10,000
September 28, 2015	$0.64	-	97,170	-	-	97,170	97,170
October 5, 2015	$2.60	322,000	-	-	(17,500)	304,500	304,500
October 29, 2015	$2.50	7,500	-	-	-	7,500	7,500
December 10, 2015	$1.16	-	233,207	-	-	233,207	233,207
March 2, 2016	$1.08	-	64,132	-	-	64,132	64,132
May 31, 2016	$2.20	60,000	-	-	-	60,000	45,000
July 28, 2016	$0.41	-	38,868	-	-	38,868	38,868
September 25, 2016	$1.00	20,000	-	-	-	20,000	20,000
September 24, 2017	$0.12	-	972,500	-	-	972,500	972,500
		705,500	1,545,800	-	(72,500)	2,178,800	2,163,800
Weighted average exercise price		$2.97	$0.40	-	$5.16	$1.07	$1.07
Weighted average contractual remaining life (years)		3.3	4.2	-	-	3.8	3.8

[1] On April 2, 2012, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively adjusted.

Warrants

The continuity of warrants for the nine months ended September 30, 2013 is as follows:

Expiry date	Exercise Price	December 31, 2012	Granted	Exercised	Expired	September 30, 2013
February 15, 2013	$1.41	1,121,571	-	-	(1,121,571)	-
June 5, 2013	$1.50	69,600	-	-	(69,600)	-
June 15, 2013	$1.50	10,000	-	-	(10,000)	-
March 4, 2014	$0.15	-	681,500	-	-	681,500
August 16, 2014	$0.15	3,130,000	-	-	-	3,130,000
August 28, 2014	$0.15	1,428,000	-	-	-	1,428,000
September 12, 2014	$0.15	2,346,000	-	-	-	2,346,000
		8,105,171	681,500	-	(1,201,171)	7,585.500
Weighted average exercise price		$0.31	$0.15	-	$1.42	$0.17

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2012 is as follows:

Expiry date	Exercise Price	December 31, 2011[(1)]	Granted	Exercised	Expired/ forfeited	September 30, 2012[(1)]
July 21, 2012	$0.51	-	101,813	-	(101,813)	-
August 27, 2012	$3.50	569,881	-	-	(569,881)	-
November 8, 2012	$2.50	599,846	-	-	-	599,846
February 15, 2013	$1.41	-	1,121,571	-	-	1,121,571
June 5, 2013	$1.50	69,600	-	-	-	69,600
June 15, 2013	$1.50	10,000	-	-	-	10,000
August 16, 2014	$0.15	-	3,130,000	-	-	3,130,000
August 28, 2014	$0.15	-	1,428,000	-	-	1,428,000
September 12, 2014	$0.15	-	2,346,000	-	-	2,346,000
		1,249,327	8,127,384	-	671,694	8,705,017
Weighted average exercise price		$2.89	$0.33	-	$3.05	$0.49

(1) On April 2, 2012, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively adjusted.

8. RELATED PARTY BALANCES AND TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following entities transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows:

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group is a private company which has a common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2012 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

(Unaudited - Expressed in Canadian Dollars)

8. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Transactions	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Services rendered:				
Grosso Group Management				
Management fees[1]	36,900	56,400	153,900	169,200
Rent, parking and storage[1]	14,700	23,400	49,200	58,200
Office & sundry[1]	9,900	16,650	51,000	48,150
Total for services rendered	61,500	96,450	254,100	275,550

(1) Included in the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the nine month period ended September 30, 2013 and 2012.

At September 30, 2013, the Company had $Nil (December 31, 2012 - $489) included in accounts payable and accrued liabilities to Grosso Group Management Ltd.

R.H. McMillan Ltd. ("R.H. McMillan") is a private company controlled by Ron McMillan, a director of the Company. For the three months ended September 30, 2013, R.H. McMillan was paid $5,860 (three months ended September 30, 2012 - $6,000) likewise, for the nine months ended September 30, 2013 R.H. McMillan was paid $24,000 (nine months ended September 30, 2012 - $19,000) for geological services. Amounts paid to R.H. McMillan are classified as professional and consulting fees in the condensed consolidated interim statements of loss and comprehensive loss. At September 30, 2013 the Company had $2,000 (December 31, 2012- $Nil) included in accounts payable and accrued liability to R.H. McMillan Ltd.

Key management personnel compensation

Compensation	Salaries $	Three months ended September 30, 2013 $	Salaries $	Shared-based benefits $	Three months ended September 30, 2012 $
Chief Executive Officer	30,000	30,000	30,000	-	30,000
President	-	-	-	6,203	6,203
Chief Financial Officer	6,000	6,000	13,660	-	13,660
Total	36,000	36,000	43,660	6,203	49,863

Compensation	Salaries $	Nine months ended September 30, 2013 $	Salaries $	Shared-based benefits $	Nine months ended September 30, 2012 $
Chief Executive Officer	94,550	94,550	30,000	-	30,000
President	-	-	19,787	14,398	34,185
Chief Financial Officer	46,221	46,221	27,320	-	27,320
Total	140,771	140,771	77,107	14,398	91,505

(Unaudited - Expressed in Canadian Dollars)

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2013 and 2012 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Loss attributable to common shareholders ($)	(154,493)	(346,851)	(692,974)	(699,390)
Weighted average number of common shares outstanding	24,577,010	18,832,444	24,301,552	12,103,456

Diluted loss per share did not include the effect of 1,264,114 (September 30, 2012 – 2,178,800) share purchase options and 7,585,500 (September 30, 2012 – 8,705,017) common share purchase warrants as they are anti-dilutive.

10. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the nine months ended September 30, 2013.

The Company's total non-current assets are segmented geographically as follows:

September 30, 2013		
	Argentina $	Total $
Property and equipment	9,926	9,926
Mineral property interests	2,762,462	2,762,462
	2,772,388	2,772,388

December 31, 2012		
	Argentina $	Total $
Property and equipment	19,854	19,854
Mineral property interests	2,734,655	2,734,655
	2,754,509	2,754,509

(Unaudited - Expressed in Canadian Dollars)

11. COMMITMENT

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	243,600	60,900	-	-	-

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is $20,300 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The fee for 2013 is consistent with the amount charged for the year ended December 31, 2012.

12. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended September 30,		Nine months ended September 30,	
	2013 $	2012 $	2013 $	2012 $
Non-cash investing and financing activities				
Issuance of warrants	-	-	2,962	-
Issuance of shares relating to acquisition of Windstorm	-	1,360,004	-	1,360,004
Issuance of options relating to acquisition of Windstorm	-	29,876	-	29,876
Issuance of warrants relating to acquisition of Windstorm	-	519	-	519
Share issue costs	-	14,712	-	14,712

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash, short-term investments, amounts receivable, exploration advances and accounts payable and accrued liabilities. The fair value of cash, short-term investments, amounts receivable, exploration advances and accounts payable and accrued liabilities approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments and amounts receivable. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal.

Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due (Note 1). The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentinean pesos, all denominated in cash, amounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, and between the Canadian dollar and the Argentinean peso is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $193.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $13,351.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds.

14. EVENTS AFTER THE REPORTING PERIOD

Effective November 12, 2013, the Company and AREVA signed an amendment to the terms of the MOU dated December 20, 2011. The amendment provides that to maintain the Option in good standing, AREVA must complete Phase 2 work by December 31, 2013, with a minimum expenditure of CDN $2,000,000 required. Upon completion of the Phase 2 work AREVA will elect to proceed with one or two projects. If two projects are selected AREVA must incur a minimum Phase 3 expenditure of CDN $4,000,000 and if only one project is selected a minimum Phase 3 expenditure of CDN $3,000,000 is required. Phase 3 work must be completed no later than December 31, 2017. Upon the completion of the Phase 3 program AREVA will have earned a 51% interest in the selected project(s).