

# **TINTINA**RESOURCES

## **CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2014 AND 2013**

# INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
**Tintina Resources Inc.**

We have audited the accompanying consolidated financial statements of **Tintina Resources Inc.**, which comprise the consolidated statements of financial position as at September 30, 2014 and 2013, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the consolidated financial statements**

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

## **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.



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

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Tintina Resources Inc.** as at September 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Vancouver, Canada  
December 16, 2014

*Ernst & Young LLP*

Chartered Accountants

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**TINTINA RESOURCES INC.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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	2014	2013
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 17,639,546	\$ 6,904,205
Amounts receivable	19,405	36,931
Prepaid expenses and other assets	83,780	146,681
	<hr/> 17,742,731	<hr/> 7,087,817
Non-current		
Property, plant and equipment (Note 6)	24,549	36,758
Resource properties (Note 7)	1,664,241	1,009,411
	<hr/> 1,688,790	<hr/> 1,046,169
Total assets	<hr/> \$ 19,431,521	<hr/> \$ 8,133,986
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 404,712	\$ 322,224
	<hr/> 404,712	<hr/> 322,224
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	68,439,819	58,124,240
Warrants Reserve (Note 9)	5,600,000	-
Share-based payment reserve	7,723,442	7,095,848
Foreign currency reserve	(982,934)	(683,146)
Accumulated deficit	(61,753,518)	(56,725,180)
	<hr/> 19,026,809	<hr/> 7,811,762
Total equity and liabilities	<hr/> \$ 19,431,521	<hr/> \$ 8,133,986

COMMITMENTS (Note 14)  
SUBSEQUENT EVENT (Note 17)

Approved by the Board on December 16, 2014

*"Bruce Hooper"*  
Director*"Eric Vincent"*  
Director

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**TINTINA RESOURCES INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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	<b>2014</b>	<b>2013</b>
<b>EXPENSES</b>		
Advertising, promotion and investor relations	\$ 135,395	\$ 347,413
Director and management fees	652,084	521,280
Depreciation	12,278	13,747
Salary and wages	371,084	454,277
Exploration and evaluation costs (Note 7)	3,230,811	5,522,097
Foreign exchange loss (gain)	(15,281)	(17,193)
Office, administration and miscellaneous	395,884	497,205
Professional fees	244,262	285,945
Share-based payments (Note 10)	627,594	1,184,451
Loss from operations	(5,654,111)	(8,809,222)
<b>OTHER ITEMS</b>		
Interest income	31,379	95,279
Other income	98,917	45,909
Loss on disposal of assets	(473)	-
Write-off of mineral property (Note 7)	-	(1,120,434)
Loss before income tax	(5,524,288)	(9,788,468)
Deferred income tax recovery	495,950	-
Net loss for the period	(5,028,338)	(9,788,468)
<b>Other comprehensive income</b>		
Currency translation adjustment	196,162	97,209
Deferred income tax (expense)	(495,950)	-
Net other comprehensive income (loss)	(299,788)	97,209
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>\$ (5,328,126)</b>	<b>\$ (9,691,259)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>\$ (0.03)</b>	<b>\$ (0.07)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>146,183,412</b>	<b>142,139,580</b>

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**TINTINA RESOURCES INC.****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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	Common Shares			Share-based	Foreign	Accumulated	Total
	Number of	Amount	Warrants	Payment	Currency	Deficit	
	Shares	\$	Reserve	Reserve	Reserve	\$	\$
			\$	\$	\$		
Balance at October 1, 2012	142,139,580	58,124,240	-	5,911,397	(780,355)	(46,936,712)	16,318,570
Loss for the year	-	-	-	-	-	(9,788,468)	(9,788,468)
Other comprehensive income	-	-	-	-	97,209	-	97,209
Share-based payments	-	-	-	1,184,451	-	-	1,184,451
Balance at September 30, 2013	142,139,580	58,124,240	-	7,095,848	(683,146)	(56,725,180)	7,811,762
Balance at October 1, 2013	142,139,580	58,124,240	-	7,095,848	(683,146)	(56,725,180)	7,811,762
Loss for the year	-	-	-	-	-	(5,028,338)	(5,028,338)
Other comprehensive loss	-	-	-	-	(299,788)	-	(299,788)
Units issued on private placement, net	80,000,000	10,250,287	5,600,000	-	-	-	15,850,287
Shares issued on acquisition of additional mining claims	352,930	65,292	-	-	-	-	65,292
Share-based payments	-	-	-	627,594	-	-	627,594
Balance at September 30, 2014	222,492,510	68,439,819	5,600,000	7,723,442	(982,934)	(61,753,518)	19,026,809

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**TINTINA RESOURCES INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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	<b>2014</b>	<b>2013</b>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the year	\$ (5,028,338)	\$ (9,788,468)
Items not involving cash		
Deferred income tax (recovery)	(495,950)	-
Depreciation	12,278	13,747
Disposal of fixed assets	1,582	2,120
Unrealized foreign exchange loss	-	20,978
Interest income	(31,379)	(95,279)
Write-off of mineral properties	-	1,120,434
Share-based payments	627,594	1,184,451
	(4,914,213)	(7,542,017)
Working capital adjustments:		
Amounts receivable	17,526	69,358
Prepaid expenses and other assets	62,901	13,624
Accounts payable and accrued liabilities	82,488	(440,377)
Asset retirement obligation	-	(9,832)
Interest receivable	-	4,835
Interest received	31,440	134,007
Cash provided by (used in) operating activities	(4,719,858)	(7,770,402)
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment, net	(1,651)	(20,181)
Acquisition of resource properties	(474,952)	(318,330)
Cash provided by (used in) investing activities	(476,603)	(338,511)
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement, net	15,850,287	-
Cash provided by (used in) financing activities	15,850,287	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	10,653,826	(8,108,913)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	81,515	44,118
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,904,205	14,969,000
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,639,546	\$ 6,904,205

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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Tintina Resources Inc. (the "Company") was incorporated (TSX.V TAU.V) on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The address of the Company's corporate Canada office and its principal place of business is Suite 2560, 200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

The Company is in the process of exploring its resource property and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

Management has determined that the Company will be able to continue as a going concern for a reasonable period of time and realize its assets and discharge its liabilities and commitments in the normal course of business, and therefore, these financial statements are prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The Company has consistently applied the same accounting policies throughout all periods presented.

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

**b) Basis of preparation**

These consolidated financial statements have been prepared under the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.



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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****c) Basis of consolidation***Subsidiaries*

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor 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. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

The consolidated financial statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Tintina Alaska Exploration, Inc. ("TAEI")	USA	100%
Tintina Alaska Mining, Inc. ("TAMI")	USA	100%
Tintina American Inc. ("TAI")	USA	100%

**d) Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts, bankers' acceptances and in government treasury bills which are available on demand by the Company for its programs, and are not invested in any asset backed deposits/investments.

**e) Resource properties and exploration and evaluation costs**

Resource properties consist of payments to acquire property rights and leases. Property acquisition costs are capitalized. Exploration and evaluation costs are expensed to the statement of comprehensive loss in the periods incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent costs are capitalized into development assets.

Development costs incurred on a mineral property are deferred once management has determined, based on a feasibility study, that, a property is capable of economical commercial production as a result of having established proven and probable reserves. Development costs are carried at cost less accumulated depletion and accumulated impairment charges. Exploration and evaluation costs incurred prior to determining that a property has economically recoverable resources are expensed as incurred.

Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****e) Resource properties and exploration and evaluation costs (continued)**

The Company reviews the carrying values of development costs regularly with a view to assessing whether there has been any impairment in value, or whenever events or changes in circumstances that indicate the carrying value may not be recoverable. In the event the estimated discounted cash flows expected from its use or eventual disposition is determined to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

Once a mine has achieved commercial production, mineral properties and development costs are depleted on a units-of-production basis over the life of the mine.

**f) Property, plant, and equipment**

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recorded over the estimated useful lives of the assets on the declining balance basis at the following annual rates:

Office equipment	14%
Furniture and fixtures	18%
Computer equipment	40%
Computer software	40%

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

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

**g) Foreign currency translation**

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

**i) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company and subsidiaries at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currency translation (continued)

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive loss except for monetary items that are designated as part of the company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed, at which time the accumulated amount is reclassified to the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

ii) The Company and subsidiaries

On consolidation the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statement of comprehensive loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive loss.

h) Decommissioning, restoration and similar liabilities ("Asset retirement obligation")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made.

The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The associated restoration costs are amortized over the expected useful life of the assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

There was no asset retirement obligation recorded at September 30, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning, restoration and similar liabilities ("Asset retirement obligation") (continued)

Other provisions

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company had no other provisions as at September 30, 2014 and September 30, 2013.

i) Share-based payments

Employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is recognized, together with a corresponding increase in the share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in the employee benefits expense.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Warrants are classified as equity instrument because the warrants include no contractual obligation and a fixed amount of cash is exchanged for a fixed amount of equity. Warrants issued as part of a financial instrument are valued using the residual method whereby the excess of the fair value of the shares at the date of issue is allocated to the warrants. Warrants classified as equity instruments are not subsequently re-measured.

j) 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 year. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes

i) Current income tax

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

Deferred tax is not recognised for all temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's amounts receivable are classified as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial assets (continued)

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At September 30, 2014, the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

m) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized as an operating expense in the statement of comprehensive loss on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements involve the use of judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods affected are addressed below:

**Impairment**

Resource exploration involves a high degree of risk and there is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercially viable quantities of minerals. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property to a commercial production stage. Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. 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 measured at fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 profit or loss for 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.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Share-based payment transactions**

The Company measures the cost of equity-settled transactions with employees to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in Note 10.

**4. NEW AND AMENDED ACCOUNTING STANDARDS**

The Company has adopted the following changes to the IFRS and IFRIC, effective October 1, 2013.

***IAS 1 – Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (“OCI”)***

The amendments of IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified or be ‘recycled’ (e.g. foreign currency translation) to net loss at a future point in time would be presented separately from items that will never be reclassified (e.g. fair value through OCI items under IFRS 9). The amendment affects presentation only and has been incorporated into the Company's consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

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**4. NEW AND AMENDED ACCOUNTING STANDARDS (continued)***IFRS 7 – Financial Instruments: Disclosures*

IFRS 7 requires entities to provide additional information about offsetting of financial assets and financial liabilities that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position. The adoption of this IFRS did not impact the Company's financial statements.

*IFRS 10 – Consolidated Financial Statements*

IFRS 10 provides definition of control under IFRS such that the same criteria applied to all entities. The revised definition of control focuses on the need to have power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. The adoption of IFRS 10 did not result in any change in the consolidation status of any of the Company's subsidiaries or investee. Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture were issued in September 2014 (Note 5).

*IFRS 11 – Joint Arrangements*

The amendments of IFRS 11 reduce the types of joint arrangements to either joint ventures or joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing choice of proportionate consolidation for jointly controlled entities. Joint operations are arrangements where the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. With no joint arrangements, the adoption of IFRS 11 did not have an impact on the consolidated financial statements. An amendment to IFRS 11 was issued in May 2014 regarding the accounting for acquisitions of an interest in a joint operation (Note 5).

*IFRS 12 – Disclosure of Interests in Other Entities*

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. IFRS 12 sets out a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements, associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structures entities. The Company adopted IFRS 12 and added additional disclosures.

*IFRS 13 – Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements to improve consistency and to reduce complexity by providing a precise definition of fair value and disclosure requirements. The full disclosure requirement of IFRS 13 is incorporated in Note 15.

*IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*

IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. The adoption of IFRIC 20 did not have an impact on the interim condensed consolidated financial statements as the Company is not yet in production phase.



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**5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after October 1, 2014:

*IAS 32 – Financial Instruments: Presentation*

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

*IAS 36 – Impairment of Assets*

In May 2013, the IASB, as a consequential amendment to IFRS 13 *Fair Value Measurement*, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

*IAS 39 – Financial Instruments: Recognition and Measurement*

In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

*IFRIC 21 – Levies*

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

New accounting standards effective for annual periods on or after October 1, 2016:

*IFRS 10 – Consolidated Financial Statements*

In September 2014, amendments to IFRS 10 were issued to provide guidance on recognising gains and losses from the loss in control of a subsidiary in the parent's profit or loss.

*IFRS 11 – Joint Arrangements*

In May 2014, an amendment to IFRS 11 was issued addressing guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment now specifies the appropriate accounting treatment for such acquisitions and requires applying the principles in IFRS 3 – *Business Combinations*, when acquiring an interest in a joint operation that constitutes a business.

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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

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**5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)**

New accounting standards effective for annual periods on or after October 1, 2017:

**IFRS 15 – Revenue from Contracts with Customers**

In May 2014, IFRS 15 was issued and replaces IAS 11 – *Construction Contracts*, IAS 18 – *Revenue*, IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC-31 – *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 establishes a single five –step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

New accounting standards effective for annual periods on or after October 1, 2018:

**IFRS 9 – Financial Instruments**

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

**6. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Computer Equipment</b>	<b>Computer Software</b>	<b>Total</b>
As at October 1, 2012	\$ 72,758	\$ 72,349	\$ 145,107
Additions	20,181	-	20,181
Disposals	(2,120)	-	(2,120)
As at September 30, 2013	\$ 90,819	\$ 72,349	\$ 163,168
Additions	1,651	-	1,651
Disposals	(2,760)	-	(2,760)
As at September 30, 2014	\$ 89,710	\$ 72,349	\$ 162,059

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## 6. PROPERTY, PLANT AND EQUIPMENT (continued)

<b>Accumulated Depreciation</b>	Computer Equipment	Computer Software	Total
As at October 1, 2012	\$ 59,576	\$ 53,087	\$ 112,663
Depreciation	7,309	6,438	13,747
As at September 30, 2013	\$ 66,885	\$ 59,525	\$ 126,410
Depreciation	7,992	4,286	12,278
Disposals	(1,178)	-	(1,178)
As at September 30, 2014	\$ 73,699	\$ 63,811	\$ 137,510

<b>Net book value</b>	Computer Equipment	Computer Software	Total
As at September 30, 2013	\$ 23,934	\$ 12,824	\$ 36,758
As at September 30, 2014	\$ 16,011	\$ 8,538	\$ 24,549

## 7. RESOURCE PROPERTIES

Expenditures as at September 30, 2014 and September 30, 2013:

Resource properties	October 1, 2013	Acquisition costs for the year	Currency translation	September 30, 2014
Black Butte Copper	\$ 1,009,411	\$ 540,244	\$ 114,586	\$ 1,664,241
Total	\$ 1,009,411	\$ 540,244	\$ 114,586	\$ 1,664,241

Resource properties	October 1, 2012	Acquisition costs for the year	Currency translation	Property Write-down	September 30, 2013
Black Butte Copper	\$ 663,732	\$ 299,229	\$ 46,450	\$ -	\$ 1,009,411
Baird	386,323	18,257	10,120	(414,700)	-
Kugruk	729,347	844	(24,457)	(705,734)	-
Total	\$ 1,779,402	\$ 318,330	\$ 32,113	\$ (1,120,434)	\$ 1,009,411

Exploration and evaluation costs for the year ended

Exploration and evaluation costs	September 30, 2014	September 30, 2013
Black Butte Copper	\$ 3,227,804	\$ 5,380,961
Baird	-	133,060
Kugruk	-	7,564
Other	3,007	512
Total	\$ 3,230,811	\$ 5,522,097

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**7. RESOURCE PROPERTIES (continued)****Black Butte Copper****i) Black Butte Copper 2010 Leases**

On May 2, 2010, the Company, through its wholly-owned subsidiary, Tintina Alaska Exploration Inc. ("TAEI"), entered into mining lease agreements and a surface use agreement (collectively, the "Black Butte Agreements") with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States. This portion of the Black Butte property consists of approximately 7,684 acres of fee-simple lands and 4,541 acres in 239 Federal unpatented lode mining claims in central Montana.

The Black Butte Agreements provide the Company, through TAEI, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and advance minimum royalty payments to be paid to the lessors, in total of US\$12,200,000 in cash (schedule Payments 1), and a Net Smelter Returns ("NSR") royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US\$10,000,000.

The following is a schedule of payments, translated to Canadian dollars, as at September 30, 2014:

**Payments 1**

\$	155,282	May 2, 2010, execution of agreement (Anniversary Date) (paid)
	155,282	On May 2, 2011 (paid)
	155,282	On May 2, 2012 (paid)
	254,588	On May 2, 2013 (paid)
	353,872	On May 2, 2014 (paid)
	481,154	On May 2, 2015
	12,028,850	\$481,154 annually on the Anniversary Date to May 2, 2040
<hr/>		
\$	13,584,310	Total lease payments, excluding buydown of NSR royalty of 5%

**ii) Black Butte Copper 2011 Leases**

During the year ended September 30, 2011, the Company, through its subsidiary, staked additional claims on federal lands and entered into mining lease agreements.

The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of US\$1,250,000 in cash (schedule Payments 2), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US\$5,000,000.

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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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## 7. RESOURCE PROPERTIES (continued)

**Black Butte Copper (continued)****ii) Black Butte Copper 2011 Leases (continued)**

The following is a schedule of payments, translated to Canadian dollars, as at September 30, 2014:

**Payments 2**

\$ 5,600	June 10, 2011, execution of agreement (Anniversary Date) (paid)
16,800	On December 10, 2011, six months following the Agreement date (paid)
44,800	On June 10, 2012 and June 10, 2013 (\$22,400 each year) (paid)
84,000	On June 10, 2014 (paid), June 10, 2015, and June 10, 2016 (\$28,000 each year)
100,800	On June 10, 2017, June 10, 2018, and June 10, 2019 (\$33,600 each year)
117,600	On June 10, 2020, June 10, 2021, and June 10, 2022 (\$39,200 each year)
134,400	On June 10, 2023, June 10, 2024, and June 10, 2025 (\$44,800 each year)
896,000	\$56,000 annually on the 15th Anniversary Date to June 10, 2041
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\$ 1,400,000	Total lease payments, excluding buydown of NSR royalty of 5%

**iii) Additional Property at Black Butte Copper**

On June 24, 2014, the Company completed the purchase of additional property from Wyoming Gold Mining Company Inc. ("Wyoming") comprised of 40 unpatented lode mining claims located in Meagher County, Montana, USA.

The Company paid Wyoming US\$40,000 in cash and issued 352,930 common shares, having an aggregate value of US\$60,000, for a total consideration of US\$100,000.

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2014	September 30, 2013
Trade payables	204,179	113,149
Accrued liabilities and other	200,533	209,075
	<hr/>	<hr/>
	404,712	322,224

## 9. SHARE CAPITAL

a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding 222,492,510 (September 30, 2013 – 142,139,580) common shares.  
See Consolidated Statements of Changes in Equity for details.

On September 12, 2014, the Company completed a non-brokered private placement. The Company sold 80 million units at a price of \$0.20 per unit, for gross proceeds of \$16 million. Each unit comprised of one common share of the Company and one common share purchase warrant (Class A Warrants, Class B Warrants and Class C Warrants), as presented below. In connection with the private placement, the Company incurred share issuance costs of \$149,713, resulting in the net proceeds of \$15.85 million, of which \$10.3 million is allocated to the value of the common shares and \$5.6 million is allocated to the value of the warrants. The warrants may be subject to early expiry if, over twenty consecutive days in the last three months prior to the natural expiry date of each class of warrants, the Volume Weighted Average Price of the Company's shares on the TSX.V is at least 120% of the exercise price and the investor does not exercise the relevant class of warrants in full. Early expiry of any class of warrants causes all subsequent warrants to also expire. All shares are subject to a four month hold period, which will expire on January 13, 2015.

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## 9. SHARE CAPITAL (continued)

**Warrants**

Exercise Price	Balance at October 1, 2013	Issued	Exercised	Expired	Balance at September 30, 2014	Expiry Date
\$0.28 <sup>1</sup>	-	20,000,000	-	-	20,000,000	September 12, 2016
\$0.32 <sup>2</sup>	-	20,000,000	-	-	20,000,000	September 12, 2017
\$0.40 <sup>3</sup>	-	40,000,000	-	-	40,000,000	September 12, 2019
\$0.65	12,500,000	-	-	(12,500,000)	-	February 2, 2014
	12,500,000	80,000,000	-	(12,500,000)	80,000,000	

<sup>1</sup> Class A Warrants<sup>2</sup> Class B Warrants<sup>3</sup> Class C Warrants

Exercise Price	Balance at October 1, 2012	Issued	Exercised	Expired	Balance at September 30, 2013	Expiry Date
\$0.65	12,500,000	-	-	-	12,500,000	February 2, 2014
	12,500,000	-	-	-	12,500,000	

## 10. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant and are exercisable at a price not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to \$0.50, a discount of 20% for a closing price of \$0.51 to \$2.00, and a discount of 15% for a closing price above \$2.00, subject to a minimum of \$0.10).

On October 23, 2012, the Company granted to directors, officers, employees and consultants a total of 4,779,264 stock options under the Company's Stock Option Plan. The options are exercisable at a price of \$0.30 per share for a period of five years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

On November 14, 2012, the Company granted to directors and officers a total of 676,736 stock options under the Company's Stock Option Plan. The options are exercisable at a price of \$0.30 per share for a period of five years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

On December 20, 2013, the Company granted to directors, officers, employees and consultants a total of 1,005,000 stock options under the Company's Stock Option Plan. The options are exercisable at a price of \$0.17 per share for a period of five years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

On January 13, 2014, the Company granted to a consultant a total of 30,000 stock options under the Company's Stock Option Plan. The options are exercisable at a price of \$0.17 per share for a period of five years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

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**10. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)**

On September 12, 2014, the Company granted the President and Chief Executive Officer and director 4,000,000 stock options under the Company's Stock Option Plan. The options are exercisable immediately and have a five year term, with 2,000,000 options exercisable at a price of \$0.165 per share and 2,000,000 options exercisable at a price of \$0.22 per share.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 2012	8,576,293	\$0.64
Granted	5,456,000	\$0.30
Forfeited	(403,337)	\$0.38
Cancelled	(3,334)	\$0.50
Expired	(426,662)	\$0.47
Balance, September 30, 2013	13,198,960	\$0.51
Granted	5,035,000	\$0.19
Forfeited	(8,334)	\$0.30
Cancelled	(96,335)	\$0.36
Expired	(2,688,959)	\$0.57
Balance, September 30, 2014	15,440,332	\$0.40

The following table summarizes stock options outstanding and exercisable at September 30, 2014:

Options Outstanding				Options Exercisable		
Exercise Price \$	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price \$	Number Exercisable	Weighted Average Exercise Price \$	
0.165	2,000,000	4.95	0.165	2,000,000	0.165	
0.17	1,035,000	4.22	0.17	344,997	0.17	
0.22	2,000,000	4.95	0.22	2,000,000	0.22	
0.30	4,797,000	3.07	0.30	3,197,991	0.30	
0.50	2,968,333	1.41	0.50	2,968,333	0.50	
0.55	100,000	0.73	0.55	100,000	0.55	
0.61	350,000	1.14	0.61	350,000	0.61	
0.90	2,139,999	1.37	0.90	2,139,999	0.90	
1.04	50,000	1.40	1.04	50,000	1.04	
	15,440,332	3.01	0.40	13,151,320	0.42	

The fair value of stock options granted during the year ended September 30, 2014 has been estimated using the Black Scholes model. For purposes of the calculation, the following assumptions were used under the Black Scholes option pricing model:

	September 30, 2014	September 30, 2013
Risk free interest rate	1.73%	1.39%
Expected dividend yield	0%	0%
Expected stock price volatility	113%	112%
Expected life of options	5 years	5 years

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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**(Expressed in Canadian Dollars)

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**10. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)**

For the purpose of recognizing share-based payment expense, the Company estimates forfeiture rate of 3.36% based on prior experience (September 30, 2013 – 4.3%).

Stock options outstanding at September 30, 2014 will expire between April 8, 2015 and September 12, 2019.

**11. RELATED PARTY TRANSACTIONS AND BALANCES**

As at September 30, 2014, the Company did not have any related party transactions other than remuneration of key management personnel as AsiaBaseMetals Inc. and SolidusGold Inc. (formerly Mantra Capital Inc.) ceased to be related parties.

Key management personnel compensation:

The remuneration of directors and other members of key management is as follows:

	<b>2014</b>		<b>2013</b>	
Short-term benefits	\$	1,210,593	\$	1,112,539
Share-based payments		630,945		759,504
Total remuneration	\$	1,841,538	\$	1,872,043

During the year ended September 30, 2014, the Company paid \$266,256 separation payment to the former CEO of the Company.

**12. INCOME TAXES****a) Income tax**

Income tax differs from the amount that would result from applying the combined Canadian federal and provincial income tax rates due to the following:

	<b>2014</b>		<b>2013</b>	
Loss before income tax	\$	(5,524,288)	\$	(9,788,468)
Canadian statutory income tax rate		26.00%		25.50%
Income tax recovery at statutory rate	\$	(1,436,315)	\$	(2,496,059)
Effect of income taxes of:				
Permanent differences		168,383		(1,058,218)
Changes in tax rate		(519,330)		(1,252,637)
Tax effect of tax losses and temporary differences not recognized		1,433,137		4,229,787
Change in estimate and others		(141,825)		577,127
Deferred income tax recovery	\$	(495,950)	\$	-



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## 12. INCOME TAXES (continued)

b) Deferred income tax assets/liabilities have been recognized in respect of the following items:

	Recognized in Comprehensive loss	Recognized in Accumulated Other Comprehensive Income	2014	2013
Non-capital losses	265,820	-	265,820	-
Foreign exchange	-	(495,950)	(495,950)	-
Net capital losses	230,130	-	230,130	-
Deferred income tax assets/(liabilities)	495,950	(495,950)	-	-

c) Unrecognized deductible temporary differences

As at September 30, 2014, the Company had the following deductible temporary differences for which deferred tax assets have not been recognized, because it is not probable that future profit will be available against which these temporary differences may be applied.

	2014	2013
Non-capital loss carry-forwards	\$ 22,394,229	\$ 17,315,642
Resource property	31,498,761	29,940,382
Share issuance costs	136,894	45,648
Other	416,921	2,462,468
Total unrecognized deferred tax assets	\$ 54,446,805	\$ 49,764,140

As at September 30, 2014, the Company and its subsidiaries have non-capital losses carried forward of approximately \$23,142,000 available to reduce taxable income in future years, expiring as follows:

Expiry of Tax Losses	US	Canada	2014
2015	\$ -	\$ 200,000	\$ 200,000
2026	-	427,000	427,000
2027	-	482,000	482,000
2028	-	702,000	702,000
2029	-	1,081,000	1,081,000
2030	3,803,000	1,224,000	5,027,000
2031	51,000	1,830,000	1,881,000
2032	154,000	1,945,000	2,099,000
2033	3,387,000	1,776,000	5,163,000
2034	5,029,000	1,051,000	6,080,000
Non-capital losses	\$ 12,424,000	\$ 10,718,000	\$ 23,142,000

The Company also has certain allowances in respect of resource development and exploration costs, which subject to certain restrictions, are available to be offset against future taxable income.

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**13. SEGMENT INFORMATION**

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of resource properties. The resource properties are located in the State of Montana in the United States.

**As at September 30, 2014**

	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Other Assets	\$ 14,788,572	\$ 2,978,708	\$ 17,767,280
Resource properties	-	1,664,241	1,664,241
<b>Total Assets</b>	<b>\$ 14,788,572</b>	<b>\$ 4,642,949</b>	<b>\$ 19,431,521</b>
<b>Total Liabilities</b>	<b>\$ 164,609</b>	<b>\$ 240,103</b>	<b>\$ 404,712</b>

**As at September 30, 2013**

	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Other Assets	\$ 5,807,554	\$ 1,317,021	\$ 7,124,575
Resource properties	-	1,009,411	1,009,411
<b>Total Assets</b>	<b>\$ 5,807,554</b>	<b>\$ 2,326,432</b>	<b>\$ 8,133,986</b>
<b>Total Liabilities</b>	<b>\$ 98,688</b>	<b>\$ 223,536</b>	<b>\$ 322,224</b>

	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Loss before income tax for the year ended September 30, 2014	\$ (1,644,360)	\$ (3,879,928)	\$ (5,524,288)
Loss before income tax for the year ended September 30, 2013	\$ (1,827,872)	\$ (7,960,596)	\$ (9,788,468)

**14. COMMITMENTS**

- a) In June 2012, the Company entered into a sublease lease agreement for office premises at a rate of \$147,358 per annum for a three year term expiring on August 30, 2015. As at September 30, 2014, future payments committed are \$135,078.
- b) The Company has commitments to incur exploration and evaluation costs as disclosed in Note 7.

**15. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to.

As at September 30, 2014, the Company had capital resources consisting of cash and amounts receivable. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year.

## 16. FINANCIAL INSTRUMENTS

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. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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 inputs are for the asset or liabilities that are not based on observable market data (unobservable inputs).

As at September 30, 2014, the carrying value of cash and cash equivalents, amounts receivable and accounts payable approximates their fair value due to their short terms to maturity. The Company's financial assets and liabilities are classified as Level 1.

### Liquidity Risk

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

### Interest Rate Risk

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned \$31,379 in interest income during the year ended September 30, 2014.

### Credit Risk

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

### Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

### Foreign Currency Risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash and cash equivalents, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above mentioned risks and there has been no significant change in the Company's exposure to each risk during the year ended September 30, 2014.

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**TINTINA RESOURCES INC.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

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## 16. FINANCIAL INSTRUMENTS (continued)

## Foreign Currency Risk (continued)

The Company is exposed to currency risk through following assets and liabilities denominated in U.S. dollars:

	September 30, 2014	September 30, 2013
Cash and cash equivalent	\$ 3,269,336	\$1,500,144
Accounts payable and accrued liabilities	(243,935)	(128,242)
<b>Total</b>	<b>\$3,025,401</b>	<b>\$ 1,371,902</b>

Based on the above net exposure as at September 30, 2014, a 10% change in U.S. dollar against Canadian dollar would result in a \$0.3 million (September 30, 2013 - \$0.1 million) decrease or increase in the Company's net earnings.

## 17. SUBSEQUENT EVENT

On December 15, 2014, the Company granted to directors, officers, and employees a total of 2,760,000 stock options under the Company's Stock Option Plan. The options have a five year term and are exercisable at a price of \$0.15 per share, and vest 1/3 one year after date of grant, 1/3 two years after date of grant and the remaining 1/3 three years after date of grant.