Tigris Resources Limited
Consolidated Financial Statements
December 31, 2013 and 2012

Contents

COMPANY PARTICULARS

DIRECTORS

Dr. Timothy Coughlin
Mr. Roderick Corrie (resigned April 28th, 2014)
Mr. Sol Thacker (appointed April 29th, 2014)
Mr. Peter Mullens (appointed on January 1, 2014)
Mr. Hugh Devlin
Mr. Kerim Sener
Mr. Vernon Arseneau
Mr. Didier Fohlen

COMPANY SECRETARY

Mr. Andrew McNally (resigned on February 17th, 2014)
Mr. Eric Lowy (appointed on February 17th, 2014)

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BANKERS

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AUDITORS

Grant Thornton LLP
Suite 401, 350 Burnhamthorpe Road West
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Canada

Statement of directors' responsibilities

The directors are responsible for preparing the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The consolidated financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991.

International Accounting Standard 1 requires that these financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the non-consolidated financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

August 20, 2014

Director

Independent auditor's report

To the shareholders Tigris Resources Limited

We have audited the consolidated financial statements of Tigris Resources Limited ("the company" for the year ended December 31, 2013 and 2012 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the financial statements
In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2013 and 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the IASB; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you, if in our opinion:

- the company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received proper returns adequate for our audit from branches not visited by us; or
- we have not received all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Jeremy Jagt, CPA, CA
CPA (Illinois)

For and on behalf of
Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants
Mississauga, Canada
August 20, 2014

Tigris Resources
Consolidated Statements of Financial Position
As at December 31, 2013 and 2012

	Notes	2013	2012
		$	$
ASSETS			
Non-current assets			
Property and equipment	8	59,897	36,913
Intangible assets	9	-	10,450
Exploration and evaluation assets	7	1,347,323	678,749
Total non-current assets		1,407,220	726,112
Current assets			
Cash and cash equivalents		2,083,099	499,829
Other receivables and prepaid expenses	6	13,352	7,839
Total current assets		2,096,451	507,668
TOTAL ASSETS		3,503,671	1,233,780
EQUITIES AND LIABILITIES			
Capital and reserves			
Share capital	11	6,064,162	3,625,979
Warrants	12	154,220	-
Contributed surplus	13	51,863	84,113
Translation of foreign operations		(70,927)	(75,967)
Accumulated deficit		(2,775,813)	(2,486,430)
		3,423,505	1,147,695
Non current liabilities			
Post-employment obligations	10	22,464	16,763
Current liabilities			
Accrued liabilities and other payables		57,702	69,322
TOTAL EQUITIES AND LIABILITIES		3,503,671	1,233,780

Subsequent events (Note 18)

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

Tigris Resources Limited
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2013 and 2012

	Notes	2013 $	2012 $
Interest income		9,029	2,072
Other income		5,641	5,526
Total income		14,670	7,598
General and administrative expenses		8,117	110,411
Employee salaries and benefits		199,048	207,003
Write-off of exploration and evaluation assets	7	-	1,324,526
Professional fees		43,317	189,441
Other losses		14,425	-
Total expenses		264,907	1,831,381
Finance expenses		43,180	23,030
Exchange gains		(4,034)	(2,082)
Net loss		289,383	1,844,731
Other comprehensive loss:			
Exchange differences arising on translation of foreign operations		(5,040)	(23,202)
Total comprehensive loss		284,343	1,821,529
Weighted average number of shares		41,827,510	28,953,489
Net loss per share (basic and diluted)		0.01	0.06

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

Tigris Resources Limited
Consolidated Statements of Changes in Equity
As at December 31, 2013 and 2012

	Share capital including, premium and discounts	*Warrants*	*Contributed Surplus*	*Translation of foreign operations*	*Accumulated deficit*	**Total**
	$	*$*	*$*	*$*	*$*	**$**
Balance at January 1, 2012	**2,389,092**	-	-	**(99,169)**	**(641,699)**	**1,648,224**
New equity share capital subscribed, net	1,236,887		-	-	-	**1,236,887**
Stock based compensation	-		84,113	-	-	**84,113**
Total comprehensive loss for the year	-		-	23,202	(1,844,731)	**(1,821,529)**
Balance at December 31, 2012	**3,625,979**		**84,113**	**(75,967)**	**(2,486,430)**	**1,147,695**
New equity share capital subscribed, net	2,405,933	154,220	-	-	-	**2,560,153**
Attributable to forfeited stock options	32,250	-	(32,250)	-	-	**-**
Total comprehensive loss for the year	**-**	-	-	5,040	(289,383)	**(284,343)**
Balance at December 31, 2013	**6,064,162**	**154,220**	**51,863**	**(70,927)**	**(2,775,813)**	**3,423,505**

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

Tigris Resources Lımıted
Consolidated of Cash Flows
For the years ended December 31, 2013 and 2012

	2013 $	2012 $
Operating activities		
Net loss	(289,383)	(1,844,731)
Add (deduct) non-cash items:		
Write-off exploration and evaluation assets	-	1,324,526
Depreciation	2,690	5,637
Provision for post-employment obligations	8,186	16,763
Stock based compensation	-	84,113
Change in non-cash working capital:		
Other current assets	(6,912)	(3,791)
Other receivables and prepaid expenses	752	15,607
Accrued liabilities and other payables	(8,261)	15,847
Net cash used by operating activities	(292,928)	(386,029)
Investing activities		
Payments for property and equipment	(42,456)	(10,265)
Advances due from joint venture partner	-	-
Exploration and evaluation expenditures	(647,792)	(1,378,683)
Net cash used by investing activities	(690,248)	(1,388,948)
Financing activities		
Proceeds from issuance of share capital	2,519,870	1,294,240
Payments for share issue costs	(113,937)	(57,353)
Proceeds from issue of warrants	160,025	-
Payments for warrants issue costs	(5,805)	-
Net cash generated by financing activities	2,560,153	1,236,887
Net increase (decrease) in cash and cash equivalents	1,576,977	(538,090)
Cash and cash equivalents, beginning of year	499,829	1,040,319
Effect of foreign currencies on cash	6,293	(2,400)
Cash and cash equivalents, end of year	2,083,099	499,829

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

1. GENERAL INFORMATION

Tigris Resources Limited (the "Company") is a company incorporated under the laws of Jersey on May 6, 2010. The registered office address of the Company is 4 Wharf Street, Suite 30, St. Helier, Jersey JE2 3NR, Channel Islands. The Company's ordinary shares ("Ordinary Shares") are not publicly traded.

The Company, together with its wholly owned subsidiary Tigris Eurasia Ltd. (the 'Group') is a mineral exploration and exploration group of companies focused on emerging and transitional environments, and is developing precious and base metal assets located in Turkey under exploration licenses granted by local authorities. These activities may be subject to political, economical or other risks that could influence the Company's exploration activities and future financial situation. The Company's results may be adversely affected by changes in political and social conditions and by changes in governmental policies with respect to mining laws and regulations, currency conversion and remittance abroad and rates and methods of taxation.

The principal accounting policies of the Group are further described in Note 3.

2. ADOPTION OF NEW REVISED ACCOUNTING STANDARDS

New and amended standards

The accounting policies adopted are consistent with those of the previous financial year, except for the application of the following standards as of January 1, 2013:

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosure of interests in other entities'
- IFRS 13, 'Fair value measurement'
- IAS 19 (revised), 'Employee benefits'
- Annual improvements (2009-2011)

IFRS 10, together with disclosure requirements in IFRS 12, supersedes IAS 27, 'Consolidated and Separate Financial Statements' (IAS 27) and SIC 12 'Consolidation-Special Purpose Entities'. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the year or comparative years covered by these financial statements.

IFRS 11 replaces IAS 31, 'Interests in Joint Ventures' and SIC 13, 'Joint-controlled entities – non-monetary contributions by venturers'. The standard removes the option to account for joint controlled entities using proportionate consolidation. Instead, these entities are accounted for using the equity method. The standard did not have an impact on the Company as the structure of its joint arrangement with Besler was a joint operation.

2. ADOPTION OF NEW REVISED ACCOUNTING STANDARDS (continued)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IFRS 13 applies prospectively for annual periods beginning on or after January 1, 2013. Since the Company's financial instruments consist of receivables and other liabilities, there has been no significant impact on disclosures.

IAS 19R makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. IAS 19R including elimination of the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income, changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest cost based on the net defined benefit asset or liability and enhances disclosures, including more information about the characteristics of defined benefit plans and related risks. IAS 19R has been applied retrospectively in accordance with its transitional provisions. The application of IAS 19R did not have a material effect on the statement of cash flows and on the earnings per share for the year ended December 31, 2012 and December 31, 2013.

The Annual Improvements made minor amendments to a number of IFRSs. The amendment that affects these financial statements clarifies the presentation requirements when a third balance sheet is presented and that the total assets and liabilities for a particular reportable segment are required to be disclosed in interim financial statements if this information is regularly provided to the chief operating decision maker and there has been a material change since the most recent annual financial statements. The Company has always reported this information in its financial statements.

Standards and Interpretations issued but not yet adopted

IFRS 9 "Financial Instruments"

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are tentatively effective for annual periods beginning January 1, 2018. Further chapters dealing with impairment methodology and hedge accounting are still being developed. Management has yet to assess the impact of this new standard on the consolidated financial statements. However, they do not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

The principal accounting policies applied in the preparation of these consolidated financials are set out below. These policies have been consistently applied to all the financial years presented unless otherwise stated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board as of December 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis and presented in Canadian dollars.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its 'subsidiaries'). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

At December 31, 2013 and 2012, the Company had one wholly-owned subsidiary, Tigris Eurasia Ltd. Şti. ("Tigris Eurasia"), incorporated in Turkey.

Foreign currencies

The individual financial statements of each entity in the Group are prepared in the currency of the primary economic environment in which the entity operates (its "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Canadian Dollars, which is the functional currency of the parent.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are expressed in Canadian Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are recognized directly into other comprehensive income and transferred to the Group's translation of foreign operations reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Exploration and evaluation expenditures comprise costs incurred directly in exploration and evaluation as well as the cost of mineral licenses. They are capitalized as exploration and evaluation assets subsequent to acquisition of the licenses and pending determination of the feasibility of the project. Borrowing costs attributable to the exploration and evaluation of mineral licenses are expensed as incurred.

When the existence of economically recoverable reserves and commercial viability are established, the related exploration and evaluation assets are reclassified as intangible assets or property, plant and equipment as appropriate.

Where a project is abandoned or is determined not to be economically viable, the related costs are written off. Impairment is assessed when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment for depreciation purposes.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Expenditure to replace a component of an item of property equipment that is accounted for separately is capitalized and the existing carrying amount of the component written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in the income statement as incurred.

Depreciation is charged to the income statement based on the cost, less estimated residual value, of the asset on a straight-line basis over the estimated useful life. Depreciation commences when the assets are available for use. The estimated useful lives are as follows:

Vehicles	3 – 5 years
Equipment	3 – 4 years

Intangible assets

Intangible assets, which are acquired by the Group entities and which have finite useful lives are stated at costs less accumulated amortization and impairment losses.

Amortization is charged to the income statement on a straight line basis over the estimated useful lives of the intangible assets, which are estimated to be 3 years for computer software.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of property and equipment and intangible assets with finite lives

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the property and equipment at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

Taxation

The Group has no taxable profit and no current income tax.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of the related asset or liability in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and increased or reduced to the extent that it is probable, or no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realized based on tax rates that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognized as an expense or income in the profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting in a business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

Financial assets other than hedging instruments are divided into the following categories:

- loans and receivables
- financial assets at fair value through profit or loss
- available-for-sale financial assets
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expense is recognized in profit or loss or directly in equity.

Generally, the Group recognizes all financial assets using settlement day accounting. An assessment of whether a financial asset is impaired is made at least at each reporting date. All income and expense relating to financial assets are recognized in the income statement except for income or loss on any available-for-sale financial assets which are recognized in equity.

Impairment of financial assets

Financial assets, other than those carried at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity instruments, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial liabilities

The Group's financial liabilities include accrued liabilities and other payables which are initially recognized at fair value and subsequently stated at amortized cost. Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

Post-employment obligations

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year service, after retirement.

The amount of benefit that an employee will receive on retirement is dependent on one or more factors, such as years of service and compensation. The obligation is fully funded by the Company. The Company recognizes its share of the expenses in the consolidated statement of income or as an exploration and evaluation asset in the period the employees provide services.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

The Group makes contributions for the benefit of employees in Turkey. The contributions are expensed or recognized as an exploration and evaluation asset as incurred.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Stock based compensation

All stock options are accounted for using the fair value-based method. Under the fair value-based method, compensation cost of a stock option is measured at fair value at the date of the grant and is expensed over the stock option's vesting period, with a corresponding increase to contributed surplus. When these stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital.

Restoration and rehabilitation

A provision for restoration and rehabilitation is recognized when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration and evaluation is capitalized into the cost of the related asset and amortized on the same basis as the related asset. Changes in the estimate of the provision of restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognized as a finance cost rather than being capitalized into the cost of the related asset.

The Group has no current obligations for restoration and rehabilitation.

Interest income

Interest income and expenses is reported on an accrual basis using the effective interest method.

Provisions

A provision is recognized in the Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Business segments

The Group operates in one business segment, mineral exploration.

Geographical segments

The directors of the Group are of the opinion that there are two geographical segments, Turkey and head office in Jersey (Channel Islands), existed as at December 31, 2013 and December 31, 2012.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATES UNCERTAINTY

Critical judgments in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements is the judgment on functional currency and the policy on exploration and evaluation assets.

Functional currency

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. The functional currency of the parent is the Canadian dollar. The Company has determined the functional currency of its Turkish subsidiary to be the Turkish LIRA.

Recoverability of exploration and evaluation assets

Management is required to assess exploration and evaluation assets for impairment. Note 7 discloses the carrying values of such assets. As part of this assessment, management has carried out an assessment whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance. The recoverability of exploration and evaluation assets is dependent on a number of factors common to the natural resource sector. These include the extent to which the Group can continue to renew its exploration and future development licenses with local authorities, establish economically recoverable reserves on its properties, the availability of the Group to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. The Group will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATES UNCERTAINTY (continued)

expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

5. GEOGRAPHICAL SEGMENTS

The Group is engaged in one business activity, mineral exploration. The sole geographical segment for this activity is located solely in Turkey. The Group's head office activities are located in Jersey (Channel Islands) which relate to administrative matters. All transactions between segments are measured at fair value. All balances, income and expenses between segments are eliminated in full on consolidation.

The geographical segmented information on income statement items is given below:

	2013	2012
Loss for the year		
Turkey	157,918	1,428,744
Head office activities	131,465	415,987
	289,383	**1,844,731**
Other comprehensive loss		
Turkey	5,040	(23,202)
Head office activities	-	-
	5,040	**(23,202)**

5. GEOGRAPHICAL SEGMENTS (continued)

The geographical segmented information on certain Statement of Financial Position items is given below:

	2013	2012
Exploration and evaluation assets		
Turkey	1,347,323	678,749
Head office activities	-	-
	1,347,323	**678,749**
Property and equipment		
Turkey	54,379	33,122
Head office activities	5,518	3,791
	59,897	**36,913**
Intangible assets		
Turkey	**-**	**10,450**
Head office activities	**-**	**-**
	-	**10,450**

2013	**Turkey**	**Head Office activities**	**Eliminations**	**Consolidated**
Total assets	**1,447,034**	**5,406,409**	**(3,349,772)**	**3,503,671**
Total liabilities	**53,946**	**26,220**	**-**	**80,166**
2012				
Total assets	781,390	3,006,979	(2,554,589)	1,233,780
Total liabilities	30,611	55,474	-	86,085

6. OTHER RECEIVABLES AND PREPAID EXPENSES

	2013	2012
Prepaid expenses	4,538	3,087
Job advances	-	1,981
Others	8,814	2,771
	13,352	**7,839**

7. EXPLORATION AND EVALUATION ASSETS ("EEA")

	Besler -Pertek Project	Pertek	Bingol	Total
At January 1, 2012	182,399	206,118	-	388,517
Additions	800,041	795,214	-	1,595,255
EEA write off	(993,089)	(331,437)	-	(1,324,526)
Currency translation differences	10,649	8,854	-	19,503
At December 31, 2012	-	678,749	-	678,749
Additions	-	129,294	522,811	652,105
EEA write off	-	-	-	-
Currency translation differences	-	(12,265)	28,622	16,357
At December 31, 2013	**-**	**795,889**	**551,434**	**1,347,323**

All of the Group's exploration and evaluation assets are located in Turkey and represent costs incurred by the Company's wholly-owned subsidiary, Tigris Eurasia, on exploration licenses over which it has ownership or for which it has entered into a joint venture agreement with the parties who hold the licenses.

Besler Pertek projects

During 2011, Tigris Eurasia entered into a joint venture agreement with Besler to undertake exploration and evaluation of certain prospects in southeast Turkey. The Company had 60% interest in the joint venture. The joint venture agreement was terminated in 2012. All costs related to the joint venture have been impaired. At December 31, 2012 there were no interests in joint ventures.

Pertek

The majority of the Company's exploration activities are in the Pertek region of Turkey where the Company has a 100% interest in the area known as Kolonkaya. In this area, the Company holds four licenses where gold is associated in the faults, veins and stockworks on quartz monzonite intrusion margins The increase of deferred exploration expenditures in the year ended December 31, 2013 in the projects was mainly a result of exploration drilling and studies costs, mining license state duty and exploration license concession fee payments, capitalized salaries of employees engaged in exploration, rentals for areas under exploration, costs of environmental studies, and costs pertaining to exploration camp maintenance.

Bingol

Company holds licenses in the Bingol region of Turkey where gold and copper are targeted. Specialist review of geochemical data identified multi-element anomalies and trends considered characteristic of underlying mineralized porphyry systems. To date, the Company has carried out soil sampling; mapping and grab sampling. No drilling has yet been attempted.

8. PROPERTY AND EQUIPMENT

COST

	Vehicles	Equipment	Total
As at January 1, 2012	45,306	6,927	52,233
Additions	-	7,309	7,309
Currency translation differences	1,436	78	1,514
As at December 31, 2012	46,742	14,314	61,056
Additions		42,456	42,456
Currency translation differences	(5,216)	(1,597)	(6,813)
As at December 31, 2013	41,526	50,948	92,474

ACCUMULATED DEPRECIATION

	Vehicles	Equipment	Total
At January 1, 2012	9,928	1,773	11,701
Charge for the period	9,348	3,719	13,067
Currency translation differences	(579)	(46)	(625)
As at December 31, 2012	18,697	5,446	24,143
Charge for the period	8,305	7,048	15,353
Exchange difference	(2,086)	(607)	(2,694)
As at December 31, 2013	**23,381**	**11,887**	**36,802**

CARRYING AMOUNT

	Vehicles	Equipment	Total
At December 31, 2013	**18,145**	**41,751**	**59,897**
At December 31, 2012	28,045	8,868	36,913

All of the depreciation expense for the year was allocated to the exploration and evaluation asset balance, with the exception of $2,690 (2011: $5,637) which was charged to net loss.

9. INTANGIBLE ASSETS

COST	**Computer Software**
As at January 1, 2012	34,653
Additions	-
Currency translation differences	(3,310)
As at December 31, 2012	31,343
Additions	0
Exchange differences	(3,497)
As at December 31, 2013	**27,845**

9. INTANGIBLE ASSETS (continued)

ACCUMULATED DEPRECIATION

	Computer Software
As at January 1, 2012	13,202
Charge for the period	10,409
Currency translation differences	(2,718)
As at December 31, 2012	20,893
Charge for the period	9,283
Exchange differences	(2,332)
As at December 31, 2013	**27,845**

CARRYING AMOUNT

	Computer Software
At December 31, 2013	**0**
At December 31, 2012	10,450

10. POST-EMPLOYMENT OBLIGATIONS

	2013	2012
Provision for employee terminations	22,464	16,763
Total	**22,464**	**16,763**

Service costs for the period are included in exploration and evaluation assets. The following assumptions were used in the calculation of the total liability.

	2013	2012
Net discount rate (%)	4	8
Turnover rate related to the probability of retirement (%)	5	5

11. SHARE CAPITAL

Share capital of the Company consists of fully paid ordinary shares. The Company has one class of shares, being ordinary shares. The Company is authorized to issue an unlimited number of ordinary shares. The Company's ordinary shares have no par value. All shares are equally eligible to receive dividends and repayment of capital and represent one vote at the shareholders' meeting of the Company.

	Number of shares	$
Balance, January 1, 2012	27,470,890	2,389,092
Shares issued for cash	5,628,520	1,294,240
Issuance costs	-	(57,353)
Total outstanding number of shares, December 31, 2012	**33,099,410**	**3,625,979**
Shares issued for cash	17,456,200	2,519,870
Issuance costs	-	(113,937)
Forfeited stock options	-	32,250
Total outstanding number of shares, December 31, 2013	**50,555,610**	**6,064,162**

In January 2013, the Company issued 514,400 shares at a price of $0.25 per share for total proceeds of $128,600.

In July 2013, the Company issued 15,941,800 units comprising of a share and warrant at a price of $0.15 for total proceeds of $2,391,270. The total fair value attributable to warrants was $160,025. An additional 56,730 were granted.

12. WARRANTS

	Number of Warrants	$	Weighted average exercise price
Balance, December 31, 2012	-	-	-
Warrants granted as part of offering (Note 11)	17,502,531	160,025	0.30
Issuance costs		(5,805)	
Balance at December 31, 2013	**17,502,531**	**154,220**	**0.30**

The fair value of each warrant as estimated on the grant date using the Black-Scholes fair value option pricing model with the following assumptions:

Weighted average grant date fair value	$0.05
Risk-free interest rate	1.43%
Expected volatility	42%
Expected life	2 years

13. SHARE-BASED PAYMENTS

The Company has a formal stock option plan under which it is authorized to grant options to directors, officers, employees and consultants to purchase common shares of the Company. Options may be granted in respect of authorized and unissued shares provided that, the maximum aggregate number of shares reserved by the Company for issuance and which may be purchased upon the exercise of all options, shall not exceed 10% of the then issued and outstanding shares of the Company. Shares in respect of which options are not exercised shall be available for subsequent options under the Stock Option Plan (the Plan). No fractional shares may be purchased or issued under the Plan.

Subject to the provisions of this Plan, the number of shares subject to each option, the option price, the expiration date of each option, the extent to which each option is exercisable from time to time during the term of the option and other terms and conditions relating to each such option shall be determined by the Board. At no time shall the period during which an option shall be exercisable exceed 10 years.

The maximum number of shares which may be reserved for issuance to insiders under the Plan or under any other Share Compensation Arrangement shall be 5% of the shares outstanding at the date of the grant (on a non-diluted basis).

The maximum number of Shares which may be issued to any one optionee and such optionee's associates under the Plan and any other Share Compensation Arrangement in any 12 month period shall be 5% of the shares outstanding at the date of the issuance (on a non-diluted basis).

The Company's Plan is used to grant options to purchase common shares to directors, officers, employees and consultants.

	Number of options	Weighted average exercise price
Outstanding, beginning of year	1,600,000	$ 0.25
Outstanding, end of year	1,060,000	$ 0.25

There were no stock options granted in the year.

14. TAXATION

There was no taxes payable by the Group in the years ended December 31, 2013 and 2012.

	2013	2012
Loss before taxation	**289,383**	1,844,731
Tax at 20% (2011: 20 %)	**(57,877)**	(368,946)
Items which are not deductible for tax purposes	**16,540**	11,445
Losses not recognized	**41,337**	357,501
Income tax expense	**-**	-

The Group had taxation losses under jurisdiction of Jersey (Channel Islands) and Turkey (subject to confirmation with the tax authorities) as at 2012 amounting to approximately $1,065,970 (2011: $222,350) that have not been recognized as there is insufficient evidence of taxable profits.

Tax losses incurred by the Turkish company expire in the fifth year subsequent to when they are incurred.

The tax rate in Turkey is 20%. Expenses incurred at the head office are non-deductible.

15. FINANCIAL RISK MANAGEMENT

The Group manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the group are discussed below:

Capital risk management

The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

The properties in which the Group currently has an interest are in the exploration stage, as such, the Group is dependent on external financing to fund its activities. The Group intends to raise additional finance by issuing new share capital, debt or entering into new joint arrangements to carry out planned exploration and to pay for administrative costs.

The Group defines capital as the aggregate of total equity, which totals $3,423,505 (2012: $1,147,695). Total equity comprises share capital, reserves and accumulated deficit as disclosed in the consolidated statements of changes in equity.

15. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The ultimate responsibility for liquidity risk rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group's cash requirements and balances are projected for the Group as a whole and for each country in which operations and capital expenditures are conducted.

To date the Group has relied on shareholder funding to finance its operations. As the Group has finite cash resources and no material income, the liquidity risk is significant and is managed by controls over timing of expenditures.

All short-term financial liabilities which relate to accrued liabilities and other payables mature within one year of December 31, 2013.

Currency risk

The Group's expenses include amounts incurred in Canadian Dollars, Euros, British Pounds and Turkish LIRA. The Group's exchange risk is therefore related to movements between these currencies. The Group has a downside risk to strengthening of the Turkish LIRA as this increases expenses in Canadian Dollar terms.

The Group's currency risk policy is to maintain cash in Canadian Dollars, British Pounds and Turkish LIRA roughly in proportion to expected future expenditure over the following twelve months. This is done to reduce the risk of the Group holding virtually all of its monetary assets in a single currency when the expenditure base is spread over the two main currencies.

Currency risk sensitivity

The Group's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of the holder which is Canadian Dollar. The following table shows the impact of a 10% change in the Canadian Dollar on equity as a result of the revaluation of the Group's foreign currency monetary assets and liabilities which are predominantly held in Turkish Lira and British Pounds.

		British Pound	Turkish Lira
Other comprehensive income $	2013	839	1,385
	2012	14,259	5,123

Interest rate risk

Interest rate risk refers to the risk that the value of the financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Group does not have any fixed rate borrowings. Cash and cash equivalents also bear interest at floating rates.

15. FINANCIAL RISK MANAGEMENT (continued)

Credit risk management

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

As the Company has no revenue and minimal trade receivable, management considers credit risk as low. Up front deposits are on occasion paid to major suppliers primarily relating to exploration drilling contracts. The payment of these deposits is considered by the management on a case by case basis and the progress on the contract carefully reviewed.

The credit risk on cash and cash equivalents is considered by management to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk.

Financial assets

Fixed rate financial assets are cash held on fixed term deposit. Cash at bank is held to finance the Group's short-term cash requirements. The Group invests its available cash in bank deposits only.

Fair value of financial assets and liabilities

All financial assets and financial liabilities are recorded at amortized cost in the consolidated financial statements. Management believes that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values due to their short-term nature.

16. RELATED PARTY TRANSACTIONS

The parent and ultimate controlling party of the Group is Tigris Resources Limited. No individual party had overall control of the Company or Group during the periods being presented. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related parties are disclosed below.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company contracted with iDect Limited, a company controlled by one of the Company's Directors for consultancy services. During the year ended December 31, 2013 payments to iDect Limited were $Nil (2012 - $39,506).

The directors and key management are the directors of Tigris Resources Limited. During the years ended December 31, 2013 and 2012 there have been no salaries or benefits paid to directors and key management. In 2013 there was no expense recorded for stock-based compensation (2012 - $44,990).

17. OPERATING LEASE AND PURCHASE COMMITMENTS

Non-cancellable operating lease commitments are disclosed below:

	2013	**2012**
Up to one year	28,925	36,221
More than one year and no later than five years	-	1,548
More than five years	-	-

18. SUBSEQUENT EVENTS

On March 6, 2014, the Company entered into an agreemenwt with VTG Holdings A.S. (“VTG”) which permits Tigris Eurasia to earn a 50% in the licenses currently held by VTG by expending an aggregate of US $7,000,000 by 2016.

In June 2014, the Company issued 6,845,000 shares through a private placement with various investors with total gross proceeds of $1,369,000.

The consolidated financial statements for the year ended December 31, 2013 have been approved for issue by the board of directors on August 20, 2014 and subsequent events were evaluated through that date.