

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Condensed Interim Consolidated Financial Statements (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

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

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Condensed Interim Consolidated Statements of Financial Position (Unaudited)

	Notes	May 31, 2013	August 31, 2012
ASSETS			
CURRENT			
Cash and cash equivalents	6	\$ 151,796	\$ 37,482
Restricted cash	7	13,800	31,216
Marketable securities	8	52,500	-
Other receivable		171,769	207,330
Note receivable	11	158,085	-
Prepaid expenses and deposits	15	143,957	212,524
		691,907	488,552
Deposits	15	95,203	104,163
Equipment	9	119,855	101,661
Mineral properties	10 & 11	9,745,888	8,141,944
		\$ 10,652,853	\$ 8,836,320
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ 589,810	\$ 1,256,405
Due to related parties	13	15,712	78,613
Loans payable	14	-	708,544
		605,522	2,043,562
Lease inducement		23,895	29,700
		629,417	2,073,262
SHAREHOLDERS' EQUITY			
Capital stock	12	17,374,894	15,226,711
Commitment to issue shares		174,970	-
Reserves		10,007,877	8,581,556
Cumulative translation adjustment		9,238	9,238
Deficit		(17,301,438)	(16,953,085)
		10,265,541	6,864,420
Non-controlling interest		(242,105)	(101,362)
		10,023,436	6,763,058
		\$ 10,652,853	\$ 8,836,320

Nature of Operations and Going Concern (note 1)
 Commitments (notes 9 and 14)

The condensed interim consolidated financial statements were authorized for issue by the board of directors on July 30, 2013 and were signed on its behalf by:

"Geoff Watson"
 Geoff Watson, Director

"Yannis Tsitos"
 Yannis Tsitos, Director

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

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)
(Expressed in Canadian dollars)

	Notes	Three Months Ended May 31, 2013	Three Months Ended May 31, 2012	Nine Months Ended May 31, 2013	Nine Months Ended May 31, 2012
EXPENSES					
Amortization		\$ (3,422)	\$ 1,759	\$ 850	\$ 3,518
Insurance		-	4,214	-	12,964
Investor relations	13	17,283	35,755	171,088	182,684
Management and consulting fees	13	(36,000)	25,000	24,000	129,691
Office and miscellaneous	13	137,470	74,030	224,456	308,340
Professional fees	13	(2,747)	1,455	219,692	180,545
Salaries, benefits and director fees	13	41,236	85,796	168,951	303,848
Share-based compensation	12(c)	-	28,132	31,961	314,583
Stock exchange and filing fees		7,505	8,230	27,228	29,655
Transfer agent fees		223	5,489	15,135	8,890
Travel and promotion		8,442	54,394	48,521	315,016
LOSS BEFORE OTHER ITEMS		169,990	324,254	931,882	1,789,734
Gain from sale of mineral property	11	(766,451)	(230,560)	(766,451)	(230,560)
Write down of marketable securities	8	7,500	652,000	7,500	652,000
Impairment of mineral property		245,827	23,130	290,625	42,799
Interest income		(8,056)	(263)	(8,183)	(5,985)
Interest expense and finance fees		12,066	19,789	18,825	22,441
Foreign exchange (gain)/loss		20,094	19,702	14,898	44,302
		(319,030)	808,052	489,096	2,314,731
Minority interest's portion of comprehensive loss (gain)		(36,232)	-	(140,743)	-
Translation adjustments		33,757	-	-	-
Non-controlling interest-net comprehensive loss (gain)		(19,609)	-	-	-
Net Loss and Comprehensive Loss for period		(341,114)	808,052	348,353	2,314,731
Net loss attributed to:					
Owners of the Company		(459,773)	\$ 808,052	\$ 348,353	\$ 2,314,731
Non-Controlling interest	11	174,500	-	140,743	-
		\$ (285,273)	\$ 808,052	\$ 489,096	\$ 2,314,731
Comprehensive loss attributed to:					
Owners of the Company		(44,314)	\$ 808,052	\$ 348,353	\$ 2,314,731
Non-Controlling interest	11	92,262	-	140,743	-
		\$ 47,948	\$ 808,052	\$ 489,096	\$ 2,314,731
Loss per share, basic and diluted		\$ (0.01)	\$ 0.06	\$ 0.01	\$ 0.17
Weighted average number of common shares					
outstanding		37,795,373	13,429,416	30,765,103	13,429,416

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

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012

	Capital Stock		Deficit	Reserves	Subscriptions receivable	Commitment to Issue Shares	Cumulative Translation Adjustment	Non-Controlling Interest	Total Shareholders' Equity
	Shares	Amount							
Balance, August 31, 2011	12,690,258	\$ 12,965,570	\$ (12,254,036)	\$ 7,869,450	\$ (9,900)	\$ 235,798	\$ -	\$ -	\$ 8,806,882
Net loss for the period			(1,506,679)						(1,506,679)
Shares issued for non-cash consideration									
Mineral properties	450,000	668,750							668,750
Share subscription paid					9,900				9,900
Share-based compensation				286,451					286,451
Balance, February 28, 2012	13,140,258	13,634,320	(13,760,715)	8,155,901	-	235,798	-	-	8,265,304
Net loss for the period			(808,052)						(808,052)
Shares issued for non-cash consideration									-
Mineral properties	1,627,022	1,545,670				(235,798)			1,309,872
Share issue costs		(4,744)							(4,744)
Share-based compensation				28,132					28,132
Balance, May 31, 2012	14,767,280	\$ 15,175,246	\$ (14,568,767)	\$ 8,184,033	\$ -	\$ -	\$ -	\$ -	\$ 8,790,512
Balance, August 31, 2012	15,047,280	\$ 15,226,711	\$ (16,953,085)	\$ 8,581,556	\$ -	\$ -	9,238	\$ (101,362)	\$ 6,763,058
Net loss for the period			(689,467)					(61,388)	(750,855)
Shares issued for cash:									
Private placement	18,800,000	2,566,500							2,566,500
Fair value of warrants		(1,468,770)		1,468,770					-
Share issuance costs		(202,157)							(202,157)
Shares issued for non-cash consideration									
Mineral properties	3,236,246	1,000,000							1,000,000
Cumulative translation adjustment							19,609	(43,123)	(23,514)
Share-based compensation				31,961					31,961
Balance, February 28, 2013	37,083,526	17,122,284	(17,642,552)	10,082,287	-	-	28,847	(205,873)	9,384,993
Net loss for the period			341,114						341,114
Shares issued for cash:									
Warrants exercised		178,200							178,200
Fair value of warrants exercised		74,410		(74,410)					-
Cumulative translation adjustment							(19,609)	(36,232)	(55,841)
Shares subscription received						174,970			174,970
Balance, May 31, 2013	37,083,526	\$ 17,374,894	\$ (17,301,438)	\$ 10,007,877	\$ -	\$ 174,970	\$ 9,238	\$ (242,105)	\$ 10,023,436

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

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012

	2013	2012
Operating Activities		
Net loss for the period	\$ (348,353)	\$ (2,314,731)
Add items not affecting cash:		
Amortization	850	3,518
Share-based compensation	31,961	314,583
Gain from sale of mineral property	(766,451)	(230,560)
Impairment of mineral property	290,625	42,798
Write down of marketable securities	172,500	652,000
Minority interest's portion of comprehensive loss (gain)	(140,743)	-
Net changes in non-cash working capital items		
Marketable securities	(225,000)	-
Other receivable	27,476	(55,449)
Tax recoverable	-	66,314
Prepaid expenses	68,567	(22,799)
Deposits	8,960	108,231
Accounts payable and accrued liabilities	(100,144)	272,697
Amounts due to related parties	(62,901)	111,141
Cash Used in Operating Activities	(1,042,653)	(1,052,257)
Financing Activities		
Restricted cash	17,416	111,550
Loans payable	(708,544)	510,000
Shares issued for cash	2,570,731	-
Shares issuance costs	(28,188)	-
Commitment to issue shares	174,970	9,900
Cash Provided by Financing Activities	2,026,385	631,450
Investing Activities		
Proceeds from sale of Kensington shares	50,000	-
Purchase of equipment	(42,982)	(73,880)
Expenditures on mineral properties	(876,436)	(2,556,476)
Exploration advances	-	23,394
Cash Used in Investing Activities	(869,418)	(2,606,962)
Inflow (Outflow) of Cash	114,314	(3,027,769)
Cash and Cash Equivalents, Beginning of Period	37,482	3,172,856
Cash and Cash Equivalents, End of Period	\$ 151,796	\$ 145,087
Supplemental Cash Flow Information:		
Interest paid	\$ 18,825	\$ 22,441
Shares issued for mineral properties	\$ 1,000,000	\$ 668,750
Mineral properties included in account payables and accrued liabilities	\$ 220,339	\$ -

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EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the laws of the province of British Columbia on October 16, 2003. The Company is an exploration stage company and is in the business of acquiring, exploring and developing mineral properties. The Company's principal office is located at 1220 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

Effective July 26, 2012, the Company changed its name to Eagle Mountain Gold Corp. and consolidated its common shares on a one-for-five basis. All figures as to the numbers of common shares, stock options, warrants, as well as loss per share in these financial statements are consolidated amounts and have been retroactively restated to present the post-consolidation amounts.

These condensed Interim consolidated financial statements are prepared on a "going concern" basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company does not currently hold any revenue-generating properties and incurred a loss of \$348,353 for the nine months ended May 31, 2013 (2012 - \$2,314,731). The Company has an accumulated deficit of \$17,301,438 as of May 31, 2013 (August 31, 2012 - \$16,953,085) and a working capital of \$86,385 (August 31, 2012 - \$1,555,010 working capital deficit).

The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration, evaluation and development of its mineral interests, is dependent on the Company's ability to obtain the necessary financing and ultimately upon its success in locating properties with economically recoverable resources and attaining either profitable operations from those properties or the proceeds from the disposition of those properties. The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. Management is planning to raise additional capital to finance operations and expected growth, and is looking at strategies to partner or dispose of its mineral interests (see notes 10 and 11).

These condensed interim consolidated financial statements do not reflect any adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Specifically, they have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2012.

The accounting principles applied in the preparation of these consolidated financial statements included herein have been applied consistently for each of the periods presented. The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on July 30, 2013.

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012
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2. BASIS OF PRESENTATION (Continued)

(b) Basis of preparation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are recorded at fair value. In addition, they have been prepared using the accrual method of accounting except for cash flow information.

(c) Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its integrated wholly-owned subsidiaries, Acarat (Chile) S.A. and Stronghold Guyana Inc.; and the accounts of its controlled subsidiaries Kensington Court Ventures Inc. and Stronghold Brasil Mineracao Ltda (formerly Mineracao Vale Do Sonho Ltda) ("Stronghold Brazil") (note 10). All intercompany transactions and balances have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated partially-owned Kensington are identified separately from the Company's entity. The non-controlling interest consists of the non-controlling interest as at the date of the original acquisition plus the non-controlling interest's share of changes in equity since the date of acquisition.

(d) Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain critical accounting estimates and assumptions, which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management judgments and estimates relate to determination of impairment of mineral property interests, the determination of site closure and reclamation provisions, rates of amortization on equipment, the variables used in the determination of fair value of stock options granted and of warrants issued, and the recoverability and measurement of deferred income tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

All financial instruments are classified as one of the following categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets, held-to-maturity financial assets, loans and receivables, and financial liabilities are classified as other financial liabilities.

FVTPL:

FVTPL financial assets are initially recognized at fair value with changes in fair value recorded through profit or loss. Cash is included in this category of financial assets.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (continued)

AFS financial assets:

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the previous categories and are recognized at fair value and subsequently carried at fair value. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive loss and classified as a component of equity.

Held-to-maturity financial assets:

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. The Company has no financial assets as at May 31, 2013 and August 31, 2012 classified as held-to-maturity.

Loans and receivables:

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

Other liabilities:

The Company classifies non-derivative financial liabilities as other financial liabilities. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortized cost using the effective interest rate method. Other financial liabilities comprise accounts payable and accrued liabilities, loans payable and due to related parties.

Impairment of financial assets:

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(b) Mineral properties and exploration costs

Costs incurred before the legal rights to undertake exploration and evaluation activities were acquired are expensed as incurred. The Company capitalizes all costs related to mineral properties on a property-by-property basis. Such costs include mineral property acquisition costs, exploration, evaluation and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, the property is sold or the Company's mineral rights are allowed to lapse.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Mineral properties and exploration costs (continued)

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such, options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received. At the development stage, as when the mineral reserves are proven or the permit to operate the mineral property are received and financing to complete the development has been obtained, the capitalized costs of mineral property interests will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

All capitalized mineral property acquisition expenditures are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

(c) Site rehabilitation obligations

Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site rehabilitation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. The liability is accreted to its present value at each reporting period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

(d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization of equipment is recorded on those items that have been put into service. Amortization is calculated on a declining-balance basis at the following annual rates:

Office furniture and equipment	20% to 50%
Vehicles	25%

Additions during the period are amortized on a pro-rated basis. Amortization on the equipment related to the mineral properties is capitalized under mineral properties.

Leasehold improvements are recorded at cost. Amortization is calculated using the straight-line method over the term of the lease.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Basic and diluted loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions including the exercise of options and warrants that would be anti-dilutive.

(f) Share-based payments

The Company has a stock option plan as disclosed in note 11. The Company uses a fair value based method of accounting for stock options to directors, employees and non-employees. The fair value is determined using the Black-Scholes option pricing model with assumptions for risk-free interest rate, volatility, expected forfeiture and life of the options or warrants. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Upon exercise of share purchase options, the applicable amounts from share-based reserve are transferred to capital stock.

(g) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current and deferred taxes are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

(h) Capital stock

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values using the market trading price and the Black-Scholes option pricing model for the common shares and warrants, respectively.

Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

EAGLE MOUNTAIN GOLD CORP.

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Cash and cash equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments that are readily convertible into known amounts of cash and that have an initial maturity of three months or less from the original date of acquisition.

(j) Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Transactions in currencies other than the functional currency are translated into Canadian dollars on the following bases:

- monetary assets and liabilities at the rate of exchange in effect at the consolidated statement of financial position date;
- non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and
- revenue and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

(k) Accounting standards issued but not yet adopted

Certain new accounting standards and interpretations have been issued but are not applicable for the May 31, 2013 reporting period.

IFRS 9: Financial Instruments

The standard was issued in November 2009, and amended in October 2010, as the first step to replace IAS 39: *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 also amends some of the requirements of IFRS 7: *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income/loss and guidance on financial liabilities and de-recognition of financial instruments. The effective date for the Company of IFRS 9 is July 1, 2015, with early adoption permitted.

IFRS 10: Consolidated Financial Statements

The standard provides additional guidance to assist the determination of control and whether an entity should be included within the consolidated financial statements of the parent company. This new standard is applicable for periods beginning on July 1, 2013, with early adoption permitted.

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Accounting standards issued but not yet applied (continued)

IFRS 11: Joint Arrangements

The standard was issued in May 2011 to replace IAS 31: *Interests in Joint Ventures*. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties involved to reflect the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 is effective commencing July 1, 2013, with early adoption permitted.

IFRS 12: Disclosure of Interests in Other Entities

The standard was issued in May 2011 to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e., special purpose entities). IFRS 12 is effective commencing July 1, 2013, with early adoption permitted.

IFRS 13: Fair Value Measurement

The standard was issued in May 2011 as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 is effective commencing July 1, 2013, with early adoption permitted.

IAS 28: Investments in associates and Joint Ventures

The standard was amended in 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 is effective commencing July 1, 2013, with early adoption permitted. If the Company applies this standard earlier, it must disclose that fact and apply IFRS 10, IFRS 11 and IFRS 12 at the same time.

The Company is currently assessing the impact of adopting the above future accounting standards changes on its consolidated financial statements.

4. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are as follows:

- To safeguard its ability to continue as a going concern; and
- To have sufficient capital to be able to meet its strategic objectives including the continued exploration of its mineral projects and the identification of additional projects.

The Company considers capital to be all components of shareholders' equity of the Company. The Company manages its capital structure in accordance with its strategic objectives and changes in economic conditions.

The Company has no externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended May 31, 2013.

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as held-for-trading; and accounts payable, loans payable and due to related parties as other financial liabilities. Instruments classified as held-for-trading are measured at fair value with realized gains and losses recognized in profit or loss.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Fair value

The carrying values of cash and cash equivalents, restricted cash and accounts payable approximate their fair values due to the short-term nature of these financial instruments.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument fails to meet its financial obligations. The Company's exposure to credit risk is principally its cash and cash equivalents. The Company mitigates this risk by placing its cash and cash equivalents in major Canadian banks and subsidiaries of Canadian banks located in Guyana and Chile. The Company's exposure to credit risk is not considered significant.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At May 31, 2013, the Company had accounts payable totalling \$589,810 (August 31, 2012 - \$1,256,405), due within three months of period-end, amounts due to related parties of \$15,712 (August 31, 2012 - \$78,613), with no stated terms of repayment, and loans payable of \$nil repayable within the next three months (August 31, 2012 - \$708,544),

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consists of cash held in bank accounts and a guaranteed investment certificate ("GIC") that earns interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in interest rates will not have a significant impact on the fair value or future cash flows of the cash and cash equivalents of the Company.

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012
(Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS (Continued)

(d) Market risk (continued)

(ii) Foreign currency risk

The Company is exposed to foreign currency fluctuations to the extent financial instruments are not denominated in Canadian dollars. The Company has operations in Chile, Brazil and Guyana. As at May 31, 2013 and August 31, 2012, the Company had monetary net assets and net liabilities in foreign currency (expressed in Canadian dollars) as follows:

	May 31, 2013		August 31, 2012	
	Monetary Net Assets	Monetary Net Liabilities	Monetary Net Assets	Monetary Net Liabilities
Guyana dollars	\$ 249,314	\$ 160,172	\$ 166,158	\$ 677
Brazil real	-	-	-	-
US dollars	-	-	-	-
	\$ 249,314	\$ 160,172	\$ 166,158	\$ 677

Based on the above net foreign currency exposure as at May 31, 2013, a 10% increase (decrease) in the value of the foreign currencies against the Canadian dollar would increase or decrease the Company's net loss and comprehensive loss by \$8,914 for the period ended May 31, 2013 (August 31, 2012 - \$16,548). The Company has not entered into any foreign currency contracts to mitigate this risk.

(iii) Other price risk

The Company is not exposed to significant other price risk.

6. CASH AND CASH EQUIVALENTS

As at May 31, 2013, the Company's cash and cash equivalents balance consists of cash of \$151,796. (August 31, 2012 - cash of \$37,482).

7. RESTRICTED CASH

As at May 31, 2013, the Company had a total of \$13,800 (August 31, 2012 - \$3,450) in GIC, which bears interest at prime minus 1.85%. The GIC is held as collateral for corporate credit cards with the Bank of Montreal. The Company's restricted cash balance also consisted of \$Nil (August 31, 2012 - \$27,766) in a security deposit received for its office space.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

8. MARKETABLE SECURITIES

	April 19 2013 Fair Value	Adjustment to Fair Value	May 31 2012 Fair Value
Available-for-sale investments			
Kensington Court Venture Inc.	\$ 60,000	\$ (7,500)	\$ 52,500
Free trading			\$ 7,875
Escrowed (1/6 will be released every 6 months after April 30, 2012)			44,625
Total			\$ 52,500

As at May 31, 2012, the quoted market value of its investment in Kensington Court Ventures Inc. common shares was \$52,500. Consequently, the Company has recorded a reduction of fair value of \$7,500. See Note 11.

9. EQUIPMENT

	Office Furniture and Equipment		Vehicles	Leasehold Improvements		Total
Cost						
Balance, August 31, 2011	\$ 23,999		\$ 29,206	\$ -		\$ 53,205
Additions	10,356		43,550	42,811		96,717
Disposals	-		(25,405)	-		(25,405)
Balance, August 31, 2012	34,355		47,351	42,811		124,517
Additions	199		43,816	2,979		46,994
Disposals	-		-	(4,012)		(4,012)
Balance, May 31, 2013	\$ 34,554		\$ 91,167	\$ 41,778		\$ 167,499
Accumulated amortization						
Balance, August 31, 2011	\$ 1,664		\$ 6,996	\$ -		\$ 8,660
Charge for the year	4,061		16,409	3,518		23,988
Disposals	-		(9,792)	-		(9,792)
Balance, August 31, 2012	5,725		13,613	3,518		22,856
Charge for the period	5,954		12,817	6,017		24,788
Balance, May 31, 2013	\$ 11,679		\$ 26,430	\$ 9,535		\$ 47,644
Carrying amounts						
August 31, 2012	\$ 28,630		\$ 33,738	\$ 39,293		\$ 101,661
May 31, 2013	\$ 22,875		\$ 64,737	\$ 32,243		\$ 119,855

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the Nine Months Ended May 31, 2013 and 2012
(Expressed in Canadian dollars)

10. MINERAL PROPERTIES

	Seneca Canada	Combarbala Chile	Tucumã Brazil	Eagle Mountain Guyana	Mowasi Guyana	Total
Balance, August 31, 2011	\$ 1	\$ 1	\$ 2,056,177	\$ 3,837,658	\$ 8,620	\$ 5,902,457
Additions - acquisition costs						
Acquisition – cash	-	-	-	100,000	128,334	228,334
Option payments – shares	-	-	-	1,906,894	68,750	1,975,644
Other acquisition expenses	-	-	-	19,200	10,256	29,456
Impairment	(1)	(1)	-	-	-	(2)
Total acquisition costs for year	(1)	(1)	-	2,026,094	207,340	2,233,432
Additions-deferred exploration costs						
Analytical	-	-	35,461	123,137	-	158,598
Amortization	-	-	-	20,877	-	20,877
Drilling	-	-	53,876	625,158	-	679,034
Equipment rental	-	-	10,203	170,520	-	180,723
Geological consulting & reports	-	-	94,205	-	-	94,205
Labour	-	-	-	540,594	-	540,594
Professional fees	-	25,675	-	-	-	25,675
Repairs and maintenance	-	-	-	50,561	-	50,561
Travel and field expenses	-	12,678	106,355	125,343	-	244,376
Others	-	5,445	102,764	338,949	-	447,158
Taxes	-	-	228,555	-	-	228,555
Total expenditures for year	-	43,798	631,419	1,995,139	-	2,670,356
Impairment	-	(43,798)	(2,620,503)	-	-	(2,664,301)
Balance, August 31, 2012	-	-	67,093	7,858,891	215,960	8,141,944
Additions - acquisition costs						
Option payments – shares	-	-	-	1,000,000	-	1,000,000
Total acquisition costs for period	-	-	-	1,000,000	-	1,000,000
Additions-deferred exploration costs						
Analytical	-	-	31,110	3,754	-	34,864
Amortization	-	-	-	18,133	-	18,133
Drilling, consulting and others	-	-	146,046	584,881	-	730,927
Environment consultants	-	-	-	53,549	-	53,549
Professional fees	-	-	46,376	3,366	-	49,742
Repairs and maintenance	-	-	-	7,354	-	7,354
Total expenditures for period	-	-	223,532	671,037	-	894,569
Impairment	-	-	(290,625)	-	-	(290,625)
Balance, May 31, 2013	\$ -	\$ -	\$ -	\$ 9,529,928	\$ 215,960	\$ 9,745,888

EAGLE MOUNTAIN GOLD CORP.**(Formerly Stronghold Metals Inc.)****Notes to Condensed Interim Consolidated Financial Statements (Unaudited)****For the Nine Months Ended May 31, 2013 and 2012****(Expressed in Canadian dollars)****10. MINERAL PROPERTIES (Continued)****Eagle Mountain Property (continued)**

During the period, the Company has completed the acquisition of 100% of the Eagle Mountain Property.

Pursuant to a definitive Earn-In and Joint Venture Agreement with a subsidiary of IAMGOLD Corporation ("IAMGOLD") dated September 15, 2010, and subsequently amended in January 2012, the Company has been granted the right to acquire in stages up to 100% in the Eagle Mountain property, located in Guyana, South America, by paying an aggregate US\$1,600,000, issuing an aggregate 2,300,000 common shares of the Company, and expending US\$3,500,000 in exploration expenditures. Of the total cash payment, US\$1,000,000 may be paid in common shares of the Company at the option of the Company. The Eagle Mountain property is owned by Omai Gold Mines Ltd. ("OGML"), a 95% owned subsidiary of IAMGOLD, with the Republic of Guyana holding the remaining 5%.

To acquire a 50% interest, the Company agreed to pay OGML \$600,000 (paid), issue 800,000 common shares (issued) of the Company and fund total exploration expenditures of US\$3,500,000 (completed). In March 2012, the Company has effectively earned 50% interest in the Eagle Mountain property by issuing 1,500,000 shares to Iamgold Corporation as the TSX Venture Exchange had accepted the filing for Amended and Restated Joint Venture and Earn-In Agreement. The Company also issued 127,021 shares to Guiana Shields Resources Inc. for finder's fee in connection with the acquisition of the property

To acquire another 50% interest (100% in aggregate), the Company had agreed to pay an additional US\$1,000,000 by April 30, 2013. The Company has the option to issue common shares in lieu of cash payment provided such issue of shares does not result in OGML controlling in excess of 19.99% of the Company. On February 11, 2013, the Company issued an additional 3,236,246 common shares of the Company at a fair value of \$1,000,000 in lieu of cash payment. The Company is now the registered and beneficial owner of 100% of OMGL's entire issued capital stock.

The terms of the Agreement as amended are summarized in the table below:

	Cash Payments US\$	Common Shares	Expenditures US\$
On signing the Agreement	\$ 500,000 (paid)	400,000 (issued)	\$ 400,000 (incurred)
Obligations completed prior to the amending agreement dated January 12, 2012	100,000 (paid)	400,000 (issued)	3,100,000 (incurred)
Additional consideration to earn the first 50% interest	600,000 -	800,000 1,500,000 (issued)	3,500,000 -
Additional consideration to earn the further 50%	600,000 1,000,000	2,300,000 -	3,500,000 -
Shares issued in lieu of cash payment	(1,000,000)	3,236,246 (issued)	
Total	\$ 600,000	5,536,246	\$ 3,500,000

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

10. MINERAL PROPERTIES (Continued)

Eagle Mountain Property (continued)

In addition, upon the grant of a mining or exploration license by the Government of Guyana, the Company has agreed to pay an additional US\$3,500,000 for which the Company may, at its sole option, elect to issue shares to OGML at a fair value of US\$3,500,000. The number of common shares is determined by 95% of the Company's share prices during the 20 trading days before the date the Company notifies OGML of its intention to issue such shares, provided such shares does not result in OGML controlling in excess of 19.99% of the Company. The Company has further agreed to pay an additional US\$5,000,000 to OGML 180 days after the commencement of commercial production of gold from the property.

Furthermore, by a separate agreement, the Company has agreed to pay a finder's fee of up to 300,000 common shares in stages over the term of the Agreement, as follows:

- (1) 85,745 common shares in the first year of the Agreement (issued);
- (2) 41,277 common shares in the second year of the Agreement (issued);
- (3) 21,277 common shares in the third year of the Agreement; and
- (4) 151,702 when the Government of Guyana grants a mining license for the property.

The Company has pledged a US\$194,000 reclamation site deposit to the Guyana Geology and Mines Commission for exploration permits on the Eagle Mountain property. The deposit is secured by a non-interest-bearing bond and is included in the consolidated statements of financial position.

Mowasi Mineral Interest

On October 7, 2011, the Company entered into a definitive option agreement with Mowasi Gold Corp. ("Mowasi") whereby the Company can earn a 95% interest in Mowasi's exclusive interest in prospecting and mining permits (the "Mowasi property") by paying an aggregate US\$1,400,000, issuing 500,000 common shares and incurring US\$1,000,000 exploration expenditures. The agreement is subject to regulatory approval. The concessions are adjacent to the Company's Eagle Mountain property in Guyana.

Under the terms of the agreement, the Company can earn a 49% undivided interest in the Mowasi property as follows:

- Pay Mowasi US\$100,000 (paid);
- Issue to Mowasi 50,000 common shares of the Company (issued);
- Expend exploration expenditures of no less than US\$1,000,000 in the first 18 months; and
- Pay Mowasi US\$300,000 14 days after the above 18-month term has been completed.

The Company can earn a further 46% undivided interest in the Mowasi property within 90 days after making exploration expenditures as follows:

- Pay Mowasi US\$1,000,000; and
- Issue to Mowasi 400,000 common shares of the Company.

Mowasi's remaining 5% interest in the Mowasi property will be carried until such time as the Company completes a feasibility study. The Company will be the operator of the Mowasi property. The Company is in the process of renegotiating the terms of this agreement.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

10. MINERAL PROPERTIES (Continued)

Seneca Property

Pursuant to an agreement dated June 21, 2004, the Company was granted an option to acquire a 100% undivided interest in mineral claims situated in the New Westminster Mining Division, British Columbia. As consideration for the property, the Company paid \$20,000. The claims are subject to a 2% net smelter return royalty ("NSR") of which 1% can be purchased by the Company for \$250,000 at any time before the property is put into commercial production. During the years ended August 31, 2004 and 2005, the Company staked additional mineral claims at a cost of \$38,958.

Pursuant to an agreement dated July 22, 2005, the Company was granted an option to acquire a 100% undivided interest in additional mineral claims situated in the New Westminster Mining Division, British Columbia. As consideration, the Company paid \$40,000 and incurred \$20,000 of exploration expenditures. The claims are subject to a 2% NSR, which can be purchased by the Company for \$1,250,000 at any time.

During the years ended August 31, 2009 and 2012, the Company wrote-down the carrying value of the Seneca property as it has no future exploration programs planned on this property.

Combarbala Property

Pursuant to an agreement dated July 14, 2006 and subsequently amended August 31, 2009, the Company entered into a Royalty Agreement with BHP Billiton whereby the Company acquired a 100% interest in 33 mineral claims located in Region IV of Chile by agreeing to pay BHP Billiton a 2% NSR.

During the year ended August 31, 2010, the Company wrote-down the carrying value of the Combarbala property to a net book value of \$1 as it has no future exploration programs planned on the property. Costs incurred in the current period to maintain the property were written off. During the year ended August 31, 2012, the Company wrote-off all the costs incurred in this property.

Tucumã Property

On May 25, 2010, the Company agreed to acquire all of the issued and outstanding shares of Stronghold Brazil. As consideration, the Company issued 300,000 common shares and 150,000 non-transferable share purchase warrants to the former shareholders of the acquired company. Each warrant entitles the warrant holder to acquire an additional common share in the capital of the Company at a price of \$3.75 for a period of two years from the date of issue. On commencement of commercial production for primary ore (excluding alluvial minerals) from the Tucumã property, the Company will pay a sum of US\$3,000,000 and a 1% NSR to the former shareholders of the acquired company.

The aggregate purchase price of \$941,753 consisted of 300,000 common shares valued at \$540,000, 150,000 share purchase warrants valued at \$124,725 and \$41,590 of transaction costs. The value of the common shares issued was based on the market price of the Company's common shares on the share issuance date. The value of the share purchase warrants was estimated using the Black-Scholes option pricing model. The acquisition has been accounted for as a purchase of an asset, as Stronghold Brazil did not meet the definition of a business and the excess purchase price over the net asset acquired was allocated to mineral properties.

The Tucumã Property is a gold and copper/gold exploration project located in the city of Tucumã, state of Pará, Brazil. Five of the exploration licenses expire in April 2013 and one expire in April 2015.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

10. MINERAL PROPERTIES (Continued)

Tucumã Property (continued)

On April 19, 2013, the Company sold 14,670,000 common shares of Kensington Court Venture Inc., which represents 52.3% of all the outstanding shares of Kensington. As a result, the Company has effectively sold the Tucumã Property. (Note 11)

Title to mineral property interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

11. KENSINGTON COURT VENTURES INC. ("KENSINGTON")

Acquisition

Effective April 30, 2012, the Company completed the sale of Stronghold Brazil to Kensington, a capital pool company listed on the TSX Venture Exchange (the "Exchange") in exchange for \$25,000 cash, the issuance to the Company of 16,300,000 common shares of Kensington (the "shares"), plus the grant to the Company of a 2% NSR royalty on production from the Tucumã property (the "Transaction"). Kensington has the right to purchase the NSR from the Company for \$1,500,000, which right is exercisable by Kensington at any time. The shares are considered as "value securities" in accordance with the policies of the Exchange and deposited in escrow with 10% of the shares released immediately and 15% releasable every six months for the balance of the 36-month escrow term.

As a result of the Transaction, the Company acquired a controlling interest of 58% of Kensington's issued and outstanding shares and consolidates the results of Kensington from April 30, 2012. The Company has recorded the Transaction using estimated fair values and accordingly has recognized an impairment of its interest in the Tucumã property in the amount of \$2,620,503.

The fair value of Kensington's net assets at the date of acquisition were as follows:

Cash	\$	571,665
Prepaid expenses		116,421
HST receivable		37,730
Accounts payable and accrued liabilities		<u>(172,012)</u>
Net assets	\$	<u>553,804</u>

Disposition

Pursuant to an agreement dated October 2, 2012 and subsequently amended on December 12, 2012, the Company has agreed to sell 14,670,000 common shares of Kensington to Lake Forest Development Corp. ("Lake Forest"), a private company controlled by a director in consideration for \$200,000 of which \$50,000 payable in cash and \$150,000 ("Assigned Loan") in the form of assignment of three promissory notes receivable from Kensington. These notes are unsecured and bear an interest rate of 1% per month compounded monthly with due dates ranging from December 17, 2013 to January 18, 2014.

In addition, Kensington agrees that in the event it sells, joint ventures or farms out its Tucumã mineral property located in Para State, Brazil (the "Property"), whether by option, sale or other disposition of either the Property or the quotas of its Brazilian subsidiary Mineraco Angra Limitada, then it shall pay out the Assigned Loan from any proceeds of disposition in preference to and priority over and exclusion of any other debt. Further, the parties have also agreed that in the event the proceeds of disposition are in excess of the sum of \$250,000 in cash, shares or other consideration (the "Additional Consideration"), the Company shall be entitled to share 50% of such Additional Consideration, provided however that in the event Lake Forest spends funds on exploration and development of the Property, then any such funds shall be deducted from the Additional Consideration and repaid to the Company prior to the joint payout of the Additional Consideration.

The sale of Kensington shares was completed in April 2013. As of May 31, 2013, the Company holds 1,500,000 common shares of Kensington. (Note 8)

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

12. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

During the nine months ended May 31, 2013:

On September 10, 2012, the Company completed the first tranche of financing for total gross proceeds of \$322,750 by the issuance of 2,390,740 units at a price of \$0.135 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.18 until September 10, 2017. The Company paid a finder's fee of \$25,820 to Weiser Capital Limited.

On October 15, 2012, the Company completed the second and final tranche financing in the amount of \$1,702,250 by the issuance of 12,609,260 units at a price of \$0.135 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.18 until October 15, 2017. The Company paid a finder's fee of \$136,180 to Weiser Capital Limited.

On November 27, 2012, the Company closed a non-brokered private placement for total gross proceeds of \$541,500 by the issuance of 3,800,000 units at a price of \$0.1425 per unit. Each unit consists of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.19 for a period of five years. No finder's fees were paid.

On February 11, 2013, the Company issued 3,236,246 common shares at a fair value of \$1,000,000 based on the volume weighted average price for the period January 9, 2013 to February 5, 2013 related to the amended agreements for the Eagle Mountain property.

On March 12, 2013, 500,000 warrants were exercised for total gross proceeds of \$90,000.

On April 11, 2013, 490,000 warrants were exercised for total proceeds of \$88,200.

During the year ended August 31, 2012:

Effective July 26, 2012, the Company consolidated its common shares on a one-for-five basis. All figures as to the numbers of common shares, stock options, warrants as well as loss per share in these consolidated financial statements have been retroactively restated to reflect the consolidation.

In July 2012, the Company issued 280,000 common shares to debt holders at a fair value of \$53,200 based on the market price of the shares on the date of issuance.

In October 2011 and March 2012, the Company issued 1,900,000 common shares at a fair value of \$2,270,941 based on the market price of the shares on the date of issuance related to the amended agreements for the Eagle Mountain property. The Company also issued 127,022 common shares at the fair value of \$120,670 as a finder's fee in connection with the Eagle Mountain property.

On October 21, 2011, the Company issued 50,000 common shares at the fair value of \$68,750 pursuant to acquisition of the Mowasi property.

EAGLE MOUNTAIN GOLD CORP.**(Formerly Stronghold Metals Inc.)****Notes to Condensed Interim Consolidated Financial Statements (Unaudited)****For the Nine Months Ended May 31, 2013 and 2012****(Expressed in Canadian dollars)****12. CAPITAL STOCK (Continued)****(c) Stock options**

The Company adopted a stock option plan (the "Plan") whereby the maximum number of options to acquire common shares of the Company that may be granted under the Plan will be 2,202,752. The term of those options to acquire common shares can be no longer than five years.

The Company has granted share purchase options to directors, officers, employees and consultants of the Company to purchase common shares of the Company. These options are granted with an exercise price equal to the market price of the Company's stock at the date of grant.

Summary of the stock options activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, August 31, 2011	1,042,000	\$ 1.89
Granted	290,000	1.93
Cancelled/expired	(412,000)	1.95
Balance, August 31, 2012	920,000	1.87
Granted	300,000	0.25
Expired	(180,000)	2.00
Balance, May 31, 2013	1,040,000	\$ 1.38

Stock options outstanding at May 31, 2013 were as follows:

Expiry Date	Number of Options	Exercise Price	Exercisable
July 28, 2014	160,000	\$ 1.60	160,000
April 7, 2014	60,000	2.00	60,000
November 24, 2014	100,000	1.48	100,000
April 6, 2015	200,000	2.00	200,000
October 14, 2016	220,000	2.00	220,000
September 20, 2017	300,000	0.25	150,000
	1,040,000		890,000
Weighted average remaining contractual life	2.68 years		2.41 years

During the period ended May 31, 2013, the Company recognized \$31,961 (2012 - \$314,583) of share-based compensation in the consolidated statements of comprehensive loss for stock options that were granted and/or vested to directors, officers and consultants of the Company.

EAGLE MOUNTAIN GOLD CORP.**(Formerly Stronghold Metals Inc.)****Notes to Condensed Interim Consolidated Financial Statements (Unaudited)****For the Nine Months Ended May 31, 2013 and 2012****(Expressed in Canadian dollars)****12. CAPITAL STOCK (Continued)****(c) Stock options (continued)**

The fair value of the stock options granted during the periods ended May 31, 2013 and 2012 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2013	2012
Risk-free interest rate	1.38%	1.62%
Expected dividend yield	-	-
Expected stock price volatility	141%	102%
Expected life of options	5	2.75
Weighted average exercisable price of options granted \$	0.18	\$ 1.95

The total calculated fair value of share-based compensation for the periods ended May 31, 2013 and 2012 would be allocated in the consolidated statements of comprehensive loss as follows:

	2013		2012	
Investor relations	\$	31,961	\$	61,045
Management and administration		-		253,538
	\$	31,961	\$	314,583

(d) Warrants

Summary of the warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise
Balance, August 31, 2011	2,333,272	\$ 3.10
Expired	(1,495,022)	3.34
Balance, August 31, 2012	838,250	2.75
Granted	18,800,000	0.18
Exercised	(990,000)	0.18
Balance, May 31, 2013	18,648,250	\$ 0.30

The fair value of the warrants issued during the periods ended May 31, 2013 and 2012 were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2013	2012
Risk-free interest rate	1.34%	1.54%
Expected dividend yield	0%	0%
Expected stock price volatility	141%	91%
Expected life of warrants	5	1.68

EAGLE MOUNTAIN GOLD CORP.**(Formerly Stronghold Metals Inc.)****Notes to Condensed Interim Consolidated Financial Statements (Unaudited)****For the Nine Months Ended May 31, 2013 and 2012****(Expressed in Canadian dollars)****12. CAPITAL STOCK (Continued)**

(e) Warrants (continued)

Warrants outstanding at May 31, 2013 were as follows:

Expiry Date	Number of Warrants	Exercise Price
July 28, 2013	838,250	\$ 2.75
September 10, 2017	2,390,740	0.18
October 15, 2017	11,619,260	0.18
November 27, 2017	3,800,000	0.19
Balance, May 31, 2013	18,648,250	\$ 0.30

Weighted average remaining contractual life in 4.20 years.

13. RELATED PARTY TRANSACTIONS

During the nine months ended May 31, 2013 and 2012, the Company incurred the following related party transactions:

(a) Key management personnel compensation

	May 31, 2013	May 31, 2012
Short-term employee benefits	\$ 163,166	\$ 397,670
Share-based compensation	-	273,873
	\$ 163,166	\$ 671,543

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the periods ended May 31, 2013 and 2012.

- (b) During the period ended May 31, 2013, \$15,000 (2012 - \$nil) was paid for secretarial services to a private company controlled by a director, and \$59,220 (2012 - \$80,370) to a private company controlled by a former officer of the Company.
- (c) During the period ended May 31, 2013, \$10,000 (2012 - \$nil) was paid for consulting services to a private company controlled by a director.
- (d) As of May 31, 2013, \$15,712 (August 31, 2012 - \$44,956) was due to a company controlled by an former officer.
- (e) As of May 31, 2013, \$nil (August 31, 2012 - \$65,500) was due to directors and a company controlled by a director. The amounts due to and from related parties are non-interest bearing unsecured and are without fixed terms of repay.
- (f) During the period ended May 31, 2013, the Company obtained loans from directors and companies controlled by them. See Note 14.

EAGLE MOUNTAIN GOLD CORP.

(Formerly Stronghold Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine Months Ended May 31, 2013 and 2012

(Expressed in Canadian dollars)

14. LOANS PAYABLE

During the year ended August 31, 2012, the Company obtained unsecured loans totaling \$920,000. Of the total loans, \$500,000 bear interest of 1% per month during the nine months from the date the loans were advanced ("initial term") and 2% per month commencing on the expiry of the initial term, and expiring 3 months ("renewal term") thereafter. As additional compensation, the Company issued 280,000 common shares to certain of the lenders. During the nine months ended May 31, 2013 the Company fully repaid the above loans and accrued interest.

During the nine months ended May 31, 2013, the Company obtained loans of \$nil (August 31, 2012 - \$708,544) from a director and company controlled by him. These loans are unsecured, non-interest bearing and without any fixed terms of repayment.

15. COMMITMENTS

Rental property

On July 1, 2011, the Company entered into two lease agreements with future minimum lease payments relating to office premises due in each fiscal year as follows:

2013	\$ 36,855
2014	178,500
2015	184,716
2016	153,930
	<u>\$ 554,001</u>

As a condition of the office premises lease agreements, the Company placed a deposit of \$108,992 as of May 31, 2013 (August 31, 2012 - \$118,062) to be applied against future rents.

EAGLE MOUNTAIN GOLD CORP.**(Formerly Stronghold Metals Inc.)****Notes to Condensed Interim Consolidated Financial Statements (Unaudited)****For the Nine Months Ended May 31, 2013 and 2012****(Expressed in Canadian dollars)**

16. SEGMENTED DISCLOSURE

The Company operates in one industry segment, the mineral resources industry, and in four geographical segments, Canada, Chile, Brazil and Guyana. All current exploration activities are conducted in the affected jurisdictions outside of Canada. The significant asset categories identifiable with these geographical areas are as follows:

					May 31, 2013				
					Canada	Brazil	Guyana	Total	
Mineral properties	\$	-	\$	-	\$	9,745,888	\$	9,745,888	
Other assets		397,726		-		437,819		835,545	
	\$	397,726	\$	-	\$	10,183,707	\$	10,581,433	

					August 31, 2012				
					Canada	Brazil	Guyana	Total	
Mineral properties	\$	-	\$	67,093	\$	8,074,851	\$	8,141,944	
Other assets		109,207		-		96,617		205,824	
	\$	109,207	\$	67,093	\$	8,171,468	\$	8,347,768	

EAGLE MOUNTAIN GOLD CORP.
(Formerly Stronghold Metals Inc.)
Management's Discussion and Analysis
Nine Months Ended May 31, 2013

GENERAL

The following discussion of performance, financial condition and prospects should be read in conjunction with the audited consolidated financial statements of the Company for the year ended August 31, 2012 and the unaudited condensed interim consolidated financial statements for the nine months ended May 31, 2013 presented in accordance with International Financial Reporting Standards. The Company's reporting currency is Canadian dollars, unless otherwise indicated.

Effective July 26, 2012, the Company changed its name to Eagle Mountain Gold Corp. and consolidated its common shares on a one-new-for-five-old basis. Unless otherwise stated, all common shares numbers, stock options and warrants in the Management's Discussion and Analysis had been retroactively restated to present the post-consolidated amounts. The Company continues to trade on the TSX Venture Exchange (the "Exchange") under the symbol "Z".

The date of this Management's Discussion and Analysis is July 30, 2013. Additional information on the Company is available on SEDAR at www.sedar.com and at www.eaglemountaingoldcorp.com

FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains certain statements that may constitute "forward-looking statements". All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated property acquisitions, the nature of future anticipated exploration programs and the results thereof, discovery and delineation of mineral resources/reserves, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market for, and pricing of, any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's

securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

DESCRIPTION OF BUSINESS

The Company is a natural resource company engaged in the business of acquiring, exploring and developing properties in South America and Canada with a focus on South America.

Guyana

Eagle Mountain Property

The Eagle Mountain property is a gold exploration project in Guyana and is one of the two main projects of the Company. Pursuant to a definitive Earn-In and Joint Venture Agreement with a subsidiary of IAMGOLD Corporation ("IAMGOLD") dated September 15, 2010, and subsequently amended in January 2012, the Company has been granted the right to acquire in stages up to 100% in the Eagle Mountain property, located in Guyana, South America, by paying an aggregate US\$1,600,000, issuing an aggregate 2,300,000 common shares of the Company, and expending US\$3,500,000 in exploration expenditures. Of the total cash payment, US\$1,000,000 may be paid in common shares of the Company at the option of the Company.

During the period, the Company has completed the acquisition of 100% of the Eagle Mountain Property.

To acquire a 50% interest, the Company agreed to pay OGML \$600,000 (paid), issue 800,000 common shares (issued) of the Company and fund total exploration expenditures of US\$3,500,000 (completed). In March 2012, the Company has effectively earned 50% interest in the Eagle Mountain property by issuing 1,500,000 shares to Iamgold Corporation as the TSX Venture Exchange had accepted the filing for Amended and Restated Joint Venture and Earn-In Agreement. The Company also issued 127,021 shares to Guiana Shields Resources Inc. for finder's fee in connection with the acquisition of the property

To acquire another 50% (100% in aggregate) the Company had agreed to pay an additional US\$1,000,000 by April 30, 2013. The Company had the option to issue common shares in lieu of cash payment provided such issue of shares does not result in OGML controlling in excess of 19.99% of the Company. On February 11, 2013, the Company issued an additional 3,236,246 common shares of the Company at a fair value of \$1,000,000 in lieu of cash payment. The Company is now the registered and beneficial owner of 100% of OMGL's entire issued capital stock.

The terms of the agreement as amended are summarized in the table below:

	Cash Payments	Common	Expenditures
	US\$	Shares	US\$
On signing the Agreement	\$ 500,000 (paid)	400,000 (issued)	\$ 400,000 (incurred)
Obligations completed prior to the amending agreement dated January 12, 2012	100,000 (paid)	400,000 (issued)	3,100,000 (incurred)
	600,000	800,000	3,500,000
Additional consideration to earn the first 50% interest	-	1,500,000 (issued)	-
	600,000	2,300,000	3,500,000
Additional consideration to earn the further 50%	1,000,000	-	-
Shares issued in lieu of cash payment	(1,000,000)	3,236,246 (issued)	
Total	\$ 600,000	5,536,246	\$ 3,500,000

In addition, upon the grant of a mining or exploration license by the Government of Guyana, the Company has agreed to pay an additional US\$3,500,000 for which the Company may, at its sole option, elect to issue shares to OGML at a fair value of US\$3,500,000. The number of common shares is determined by 95% of the Company's share prices during the 20 trading days before the date the Company notifies OGML of its intention to issue such shares, provided such shares does not result in OGML controlling in excess of 19.99% of the Company. The Company has further agreed to pay an additional US\$5,000,000 to OGML 180 days after the commencement of commercial production of gold from the property.

Furthermore, by a separate agreement, the Company has agreed to pay a finder's fee of up to 300,000 common shares in stages over the term of the Agreement, as follows:

- (1) 85,745 common shares in the first year of the options (issued);
- (2) 41,276 common shares in the second year of the options (issued);
- (3) 21,277 common shares in the third year of the options; and
- (4) 151,702 when the Government of Guyana grants a mining license for the property.

The Company has pledged a US\$194,000 reclamation site deposit to the Guyana Geology and Mines Commission for exploration permits on the Eagle Mountain Property. The deposit was secured by a non-interest-bearing bond.

Mowasi Mineral Interest

On October 7, 2011, the Company entered into a definitive option agreement with Mowasi Gold Corp. ("Mowasi") whereby the Company can earn a 95% interest in Mowasi's exclusive interest in 23 prospecting permits and eight mining permits by agreeing to pay an aggregate of US\$1,500,000 cash, issue 500,000 common shares and incur US\$1,000,000 exploration expenditures subject to regulatory approval. The concessions are adjacent to the Company's Eagle Mountain property in Guyana.

Under the terms of the agreement, the Company can earn a 49% undivided interest as follows:

- Pay Mowasi US\$100,000 (paid);
- Issue to Mowasi 50,000 common shares (issued) of the Company;
- Expend exploration expenditures of no less than US\$1,000,000 in the first 18 months; and
- Pay Mowasi US\$300,000 14 days after the above 18-month term has been completed.

The Company can earn a further 46% undivided interest in the concessions within 90 days after making the exploration expenditures as follows:

- Pay Mowasi US\$1,000,000; and
- Issue to Mowasi 400,000 common shares of the Company.

Mowasi's remaining 5% interest in the concessions will be carried until such time as the Company completes a feasibility study on the concessions. The Company will be the operator on the concessions.

The Company is in the process of renegotiating the terms of this agreement.

Brazil

Tucumã Project

On May 25, 2010, the Company entered into agreements with Stronghold Brasil Mineração Ltda. ("Stronghold Brazil") and the shareholders of Stronghold Brazil, whereby the Company agreed to

acquire all of the issued and outstanding shares of Stronghold Brazil. Stronghold Brazil controls on a 100% basis, 6 mineral concessions, ("The Tucumã Project or Property") located in the State of Para, Brazil. In exchange for the Stronghold Brazil shares, the Company issued 300,000 common shares in the capital of the Company and 150,000 non-transferable share purchase warrants to the holders of the Stronghold Brazil Shares. Each warrant will entitle the warrant holder to acquire an additional common share in the capital of the Company at a price of \$3.75 per share expiring June 9, 2012. On the commencement of commercial production for primary ore (excluding alluvial minerals) from the Tucumã Property, the Company will pay a sum of US\$3,000,000 and a 1% net smelter return royalty to the former Stronghold Brazil shareholders.

The aggregate purchase price of \$941,753 consisted of 300,000 common shares valued at \$540,000, 150,000 share purchase warrants valued at \$124,725, and \$41,590 of transaction costs. The value of the common shares issued was based on the market price of the Company's common shares on the share issuance date. The value of the share purchase warrants was estimated using the Black-Scholes option pricing model. The acquisition has been accounted for as a purchase of an asset, as Stronghold Brazil did not meet the definition of a business and the excess purchase price over the net asset acquired was allocated to mineral properties.

The Tucumã Property is a gold and copper/gold exploration project. The Company holds six exploration licenses for an aggregate 11,456 hectares. These exploration licenses are located in the City of Tucumã, State of Pará, Brazil. One of the exploration licenses expires in May 2012 and five expire in April 2013.

On April 19, 2013, the Company sold 14,670,000 common shares of Kensington Court Venture Inc., which represents 52.3% of all the outstanding shares of Kensington. As a result, the Company has effectively sold the Tucumã Property.

KENSINGTON COURT VENTURES INC.

ACQUISITION

On August 3, 2011, the Company entered into a letter of intent (the "LOI") with Kensington Court Ventures Inc. ("Kensington"), a capital pool company listed on the TSX Venture Exchange (the "Exchange"), pursuant to which Kensington agreed to acquire all of the issued and outstanding shares of Stronghold's Brazilian subsidiary, Stronghold Brasil Mineração Ltda ("Stronghold Brazil") in exchange for \$25,000 cash, the issuance to Stronghold of 16,300,000 common shares of Kensington ("Shares"), plus the grant to Stronghold of a 2% net smelter returns royalty (the "NSR Royalty") on production from the Tucumã Property (the "Transaction"). Kensington has the right to purchase the NSR Royalty from the Company for \$1,500,000, which right is exercisable by Kensington at any time. The Shares are considered as "value securities" in accordance with the policies of the Exchange and deposited in escrow with 10% of the shares released immediately and 15% releasable every six months for the balance of the 36 month escrow term.

On January 20, 2012, Kensington agreed to advance to the Company refundable deposits in the aggregate amount of up to \$75,000 payable in instalments which are not refundable if the Transaction is completed.

Effective April 30, 2012, the Company had completed the sale of its Brazilian subsidiary Stronghold Brasil Mineração Ltda to Kensington Court Ventures Inc. ("Kensington"). The Company had also received \$34,467 from Kensington for reimbursement of the cost of a technical report relating to the Tucumã Property.

Effective April 30, 2012 and as of May 31, 2013, the Company had 58.09% of all the outstanding common shares of Kensington and consequently has the effective control of Kensington.

The fair value of Kensington's net assets at the date of acquisition were as follows:

Cash	\$	571,665
Prepaid expenses		116,421
HST receivable		37,730
Accounts payable and accrued liabilities		<u>(172,012)</u>
Net assets	\$	<u>553,804</u>

DISPOSITION

Pursuant to an agreement dated October 2, 2012 and subsequently amended on December 12, 2012, the Company has agreed to sell 14,670,000 common shares of Kensington to Lake Forest Development Corp. ("Lake Forest"), a private company controlled by a director in consideration for \$200,000 of which \$50,000 payable in cash and \$150,000 ("Assigned Loan") in the form of assignment of three promissory notes receivable from Kensington. These notes are unsecured and bear an interest rate of 1% per month compounded monthly with due dates ranging from December 17, 2013 to January 18, 2014.

In addition, Kensington agrees that in the event it sells, joint ventures or farms out its Tucumã mineral property located in Para State, Brazil (the "Property"), whether by option, sale or other disposition of either the Property or the quotas of its Brazilian subsidiary Mineraco Angra Limitada, then it shall pay out the Assigned Loan from any proceeds of disposition in preference to and priority over and exclusion of any other debt. Further, the parties have also agreed that in the event the proceeds of disposition are in excess of the sum of \$250,000 in cash, shares or other consideration (the "Additional Consideration"), the Company shall be entitled to share 50% of such Additional Consideration, provided however that in the event Lake Forest spends funds on exploration and development of the Property, then any such funds shall be deducted from the Additional Consideration and repaid to the Company prior to the joint payout of the Additional Consideration.

The sale of Kensington shares was completed in April 2013. As of May 31, 2013, the Company holds 1,500,000 common shares of Kensington.

C. Geoffrey Hampson is also a director of the Company.

Chile

The Combarbala property is located in the IV Region of Chile, 35 km NE of the city of Illapel. On August 31, 2009, the Company entered into a Royalty Agreement with BHP Billiton whereby the Company acquired a 100% undivided interest in 33 mineral claims in the Combarbala Property by agreeing to pay BHP Billiton a 2% net smelter return royalty in any future production. The transfer of the claims was completed in October 2009. On November 20, 2009, the title transfer from BHP Billiton to the Company for the claims forming the Combarbala property was completed when the public deed of transfer was executed by the Government of Chile.

During the year ended August 31, 2012, the Company had abandoned in this property and written off all the costs incurred in this property.

Canada

The Seneca Property is a poly-metallic VMS exploration project and belongs 100% to the Company. It consists of 8 mineral claims covering approximately 4,071 hectares located approximately 120 km east of Vancouver and 35 km northeast of Mission in the New Westminster Mining Division, British Columbia. The claims are subject to a Net Smelter Return Royalty of 1% which the Company has the

option to purchase for \$250,000 at any time before the property is put into commercial production. As part of the project, the Company controls two more mineral claims situated in the New Westminster Mining Division, B.C. The claims are subject to a 2% Net Smelter Royalty, which can be purchased by the Company for \$1.25 million at any time.

During the years ended August 31, 2009 and 2012, the Company had written-off all the costs incurred in this property. The Company currently does not have any exploration program planned on this property.

OPERATIONS AND EXPENDITURES

Eagle Mountain Property, Guyana

The Company's current focus is to accelerate the development of this property. The project consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, 200 kilometers southwest of the capital Georgetown and 45 kilometers from the historical Omai gold mine, which was in production from 1993 to 2005.

In November 2010, the Company filed an NI 43-101 reporting an Inferred Mineral Resources of 18Mt @ 1.27 g/t gold, containing 733,500 ounces of gold (using a 0.5 g/t Au cut-off grade). More than 250,000 ounces of contained gold in this inferred mineral resource is hosted by oxide material (sapolite). The Project is on track to produce a preliminary economic assessment report or scoping study. The primary goal at Eagle Mountain is to enhance this NI43-101 compliant mineral resource with advanced exploration drilling and mineral resource definition drilling.

On March 23, 2011, the Company announced a 15,000 meters drilling. The program started in mid-April 2011 and is expected to take 6 to 8 months to complete. One drilling contract with Orbit Garant Drilling Services Inc. of Quebec, Canada has already been executed. As the program ramps up, the Company expects a second man-portable diamond rig to be mobilized to the site to allow access to the proposed drill locations in higher ground terrain.

73 drill holes totalling 10,338 meters had been completed. Analytical results from 46 complete holes had been received to date from ACME Analytical Laboratories Ltd. and that most holes have gold intersections of favourable grade that correspond well with historical data from the project. The Company intends to continue its infill and step-out drilling program in order to increase the confidence of the mineral resource and to further expand the know mineralized zone.

On November 21, 2012, the Company announced the results of an updated mineral resource estimate for its Eagle Mountain Gold project ("Project") in Guyana, South America. The resource estimate has been completed in accordance with Canadian Securities Administration National Instrument 43-101 ("NI 43-101") and CIM Standards on Mineral Resources and Mineral Reserves by A.C.A. Howe International Limited of Toronto, Ontario, Canada ("ACA Howe") using the Company's 2011/2012 diamond drilling results, the historical diamond drilling results from IAMGOLD, as well as other current and historical geological data that met QA/QC requirements. In November 2010, the Company announced an Inferred Resource estimate, using a block cut-off grade of 0.5 g/t gold of 17.96 million tonnes with an average gold grade of 1.27 g/tonne gold for 733,500 ounces of gold.

The updated classified mineral resource estimate of the Eagle Mountain gold deposit at 0.5 g/t Au cut-off consists of:

- Indicated resource of 3,921,000 tonnes, averaging 1.49 grams per tonne Au for 188,000 ounces.
- Inferred resource of 20,635,000 tonnes, averaging 1.19 grams per tonne Au for 792,000 ounces.

Therefore, the November 2012 updated resource estimate represents approximately a 34% increase from the November 2010 resource outline. The updated resource estimate is based on a comprehensive database consisting of 281 drill holes, totalling 35,993 meters and 21,235 assay samples, which were drilled by British Anaconda Mining, the Government of Guyana, Golden Star Resources, Cambior, IAMGOLD and Eagle Mountain. The database also contains 14,624 assays from 4,873 augers, 124 continuous channel sample segments from nine adits, and 1,318 assays from 199 continuous channel sample segments from trench localities. Mineral resource estimation was carried out using only the diamond drill and trench sample results.

The November 2012 classified NI 43-101 updated resource estimate for gold at Eagle Mountain is summarized by material zone in the following table:

November 2012 Updated Eagle Mountain Resource Estimate by Category, Zone and Type Material (using Block Model Cut-off 0.5g/t Au)							
Category	Zone	Material	Density (t/m3)	Volume (m3)	Tonnes	Au_g/t	Ounces
Indicated	Zion	Saprolite	1.60	538,000	860,000	1.42	39,000
		Fresh	2.60	436,000	1,134,000	1.40	51,000
		Total	2.03	974,000	1,994,000	1.41	90,000
	Kilroy	Saprolite	1.60	456,000	730,000	1.49	35,000
		Fresh	2.60	461,000	1,197,000	1.63	63,000
		Total	2.08	917,000	1,927,000	1.58	98,000
	All	Saprolite	1.60	994,000	1,590,000	1.45	74,000
		Fresh	2.60	897,000	2,331,000	1.52	114,000
		Total	2.05	1,890,000	3,921,000	1.49	188,000
Inferred	Zion	Saprolite	1.60	2,671,000	4,274,000	1.31	180,000
		Fresh	2.60	3,035,000	7,891,000	1.13	286,000
		Total	2.16	5,706,000	12,165,000	1.19	466,000
	Kilroy	Saprolite	1.60	1,831,000	2,929,000	1.33	126,000
		Fresh	2.60	2,132,000	5,542,000	1.12	200,000
		Total	2.25	3,962,000	8,471,000	1.20	326,000
	All	Saprolite	1.60	4,502,000	7,202,000	1.32	306,000
		Fresh	2.60	5,167,000	13,433,000	1.13	486,000
		Total	2.19	9,668,000	20,635,000	1.19	792,000

Notes for mineral resource estimate:

1. A block cut-off value of 0.5 g/t Au was applied to all resource blocks.
2. Tonnes and ounces have been rounded to reflect the relative accuracy of the mineral resource estimate; therefore numbers may not total correctly.
3. A notional cut-off gold grade for mineralized domain interpretation was 0.2 g/tonne Au.
4. A top cut of 20 g/tonne Au was applied to raw assay values.
5. Composited Diamond drill hole and trench samples are assigned to 30 layered and fault bound resource domains that encompass the Zion and Kilroy portions of the deposit.
6. Corresponding domain blocks and composite samples are projected to a horizontal plane for grade estimation by Ordinary Kriging.
7. The block model is constrained by topography and saprolite and fresh weathering domains with bulk density values of 1.6 t/m3 and 2.6 t/m3 respectively were defined.
8. Mineral Resource tonnes quoted are not diluted.
9. Mineral resources are not mineral reserves and by definition do not demonstrate economic viability. This mineral resource estimate includes inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated resource

categories through further drilling, or into mineral reserves, once economic considerations are applied.

10. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

ACA Howe considers that gold mineralization identified at Eagle Mountain may be amenable to open-pit extraction and that mineral resources are reported at an appropriate cut-off grade taking into account possible extraction scenarios and processing recoveries. The Eagle Mountain deposit is located within the Eagle Mountain Prospecting License (“EMPL”) which covers an area of 50.50 km² (5050ha) in west-central Guyana, South America approximately 200 kilometres south-southwest of Guyana’s capital, Georgetown. The property can be accessed by road from Georgetown in five to six hours, or by air to the Mahdia airstrip located five km north of the property.

Most of the gold mineralization at Eagle Mountain is related to low-angle (20-40o), southwest dipping brittle-ductile composite shear zones hosted in a composite granodiorite pluton that intrudes all older rocks. The updated geological model refers to two distinct mineralized shear zones that host the current mineral resource estimate: the Zion and Kilroy zones. Each zone can be distinguished based on visual geological and mineralogical characteristics. Very fine-grained gold is associated with chloritic ±pyritic micro-fractures and in some cases within or adjacent to discrete chlorite – pyrite ±potassic altered mylonitic shear zones. The mineral resource is located in both oxidized rock (referred to as “saprolite”) and non-oxidised rock (referred to as “fresh” or “hard rock”).

Qualified person

The resource estimate was prepared by Leon McGarry, B.Sc., Geologist, ACA Howe and supervised by Ian Trinder, M.Sc., P.Geo., Senior Geologist, ACA Howe. Technical information related to the 2012 Eagle Mountain Resource Estimate contained in this news release has been reviewed and approved by Mr. Trinder, who is an independent Qualified Person as defined by NI 43-101, with the ability and authority to verify the authenticity and validity of this data.

The drilling plan as well as the analytical results is available to be viewed at the Company's corporate web site at www.eaglemountaingoldcorp.com

The Company is scheduling to commence mineralogical and metallurgical tests, the Environmental Impact Assessment work and relevant studies, and the Scoping Study (PEA) in early 2013. Further drilling is scheduled, as is the commencement of feasibility studies work, subject to successful Scoping Study results.

The following table summaries all the costs incurred in the mineral properties during the periods:

	Seneca Canada	Combarbala Chile	Tucumã Brazil	Eagle Mountain Guyana	Mowasi Guyana	Total
Balance, August 31, 2011	\$ 1	\$ 1	\$ 2,056,177	\$ 3,837,658	\$ 8,620	\$ 5,902,457
Additions - acquisition costs						
Acquisition – cash	-	-	-	100,000	128,334	228,334
Option payments – shares	-	-	-	1,906,894	68,750	1,975,644
Other acquisition expenses	-	-	-	19,200	10,256	29,456
Impairment	(1)	(1)	-	-	-	(2)
Total acquisition costs for year	(1)	(1)	-	2,026,094	207,340	2,233,432
Additions-deferred exploration costs						
Analytical	-	-	35,461	123,137	-	158,598
Amortization	-	-	-	20,877	-	20,877
Drilling	-	-	53,876	625,158	-	679,034
Equipment rental	-	-	10,203	170,520	-	180,723
Geological consulting & reports	-	-	94,205	-	-	94,205
Labour	-	-	-	540,594	-	540,594
Professional fees	-	25,675	-	-	-	25,675
Repairs and maintenance	-	-	-	50,561	-	50,561
Travel and field expenses	-	12,678	106,355	125,343	-	244,376
Others	-	5,445	102,764	338,949	-	447,158
Taxes	-	-	228,555	-	-	228,555
Total expenditures for year	-	43,798	631,419	1,995,139	-	2,670,356
Impairment	-	(43,798)	(2,620,503)	-	-	(2,664,301)
Balance, August 31, 2012	-	-	67,093	7,858,891	215,960	8,141,944
Additions - acquisition costs						
Option payments – shares	-	-	-	1,000,000	-	1,000,000
Total acquisition costs for period	-	-	-	1,000,000	-	1,000,000
Additions-deferred exploration costs						
Analytical	-	-	31,110	3,754	-	34,864
Amortization	-	-	-	18,133	-	18,133
Drilling, consulting and others	-	-	146,046	584,881	-	730,927
Environmen consultants	-	-	-	53,549	-	53,549
Professional fees	-	-	46,376	3,366	-	49,742
Repairs and maintenance	-	-	-	7,354	-	7,354
Total expenditures for period	-	-	223,532	671,037	-	894,569
Impairment	-	-	(290,625)	-	-	(290,625)
Balance, May 31, 2013	\$ -	\$ -	\$ -	\$ 9,529,928	\$ 215,960	\$ 9,745,888

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenue	Operating Income/ (Loss)	Basic & Fully Diluted Earning/(Loss) Per share
	(\$)	(\$)	(\$)
May 31, 2013	Nil	341,114	0.01
February 28, 2013	Nil	(404,849)	(0.01)
November 30, 2012	Nil	(284,618)	(0.01)
August 31, 2012	Nil	(2,384,318)	(0.16)
May 31, 2012	Nil	(808,052)	(0.05)
February 29, 2012	Nil	(783,306)	(0.06)
November 30, 2011	Nil	(723,373)	(0.06)
August 31, 2011	Nil	(494,244)	(0.04)

As the Company is still in the exploration and development stage, the Company will continue to incur losses in the near term until the Company accomplishes commercial production and profitable operations. The three month period ended May 31, 2013 recorded a profit of \$451,614 was primarily due to gain from sale of mineral property.

RESULT OF OPERATIONS

Three Month Period Ended May 31, 2013

The Company recorded a quarterly profit of \$341,114 compared to a loss of \$808,052 for the same quarter of last year. The decrease in loss of \$1,149,166 was primarily due to the following:

- (1) Investor relations decreased by \$18,472;
- (2) Impairment of mineral property decreased by \$222,697;
- (3) Office and miscellaneous expenses increased by \$63,440;
- (4) Salaries, benefits and director fees decreased by \$44,560;
- (5) Share-based payments decreased by \$28,132; there were no stock options granted and vested during the current quarter;
- (6) Travel and promotion decreased by \$45,952;
- (7) Write down of marketable securities decreased by \$644,500; and
- (8) Gain on sale of mineral property increased by \$535,891.

Nine Month Period Ended May 31, 2013

The Company recorded a nine month period profit of \$348,353 compared to a loss of \$2,314,731 for the same period of last year. The decrease in loss of \$1,966,378 was primarily due to the following:

- (1) Management and consulting fees decreased by \$105,691;
- (2) Office and miscellaneous expenses decreased by \$83,884;
- (3) Salaries, benefits and director fees decreased by \$134,897;
- (4) Share-based payments decreased by \$282,622 as there were no stock options granted and vested during the period;
- (5) Travel and promotion decreased by \$266,495;
- (6) Write down of marketable securities decreased by \$644,500; and
- (7) Gain on sale of mineral property increased by \$535,891.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital of \$196,885 as of May 31, 2013, compared to working capital deficit of \$1,555,010 as at August 31, 2012. The increase in working capital of \$1,751,895 was attributable mainly to private placements totaling \$2,570,731, net of issuance costs of \$28,188. As the Company is still in exploration stage, the Company does not generate any revenue. The Company continues to raise equity financing.

During the first two months of the quarter ended November 30, 2012, the Company completed two tranches of financing for total gross proceeds of \$2,025,000 by the issuance of altogether 15,000,000 units at a price of \$0.135 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.18 for a five year period. The Company paid a finder's fee of altogether \$162,000 to Weiser Capital Limited.

On November 27, 2012, the Company closed a non-brokered private placement for total gross proceeds of \$541,500 by the issuance of 3,800,000 units at a price of \$0.1425 per unit. Each unit consists of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.19 for a period of five years. No finder's fees were paid.

On February 11, 2013, the Company issued 3,236,246 common shares at a fair value of \$1,000,000 based on the volume weighted average price for the period January 9, 2013 to February 5, 2013 related to the amended agreements for the Eagle Mountain property.

On March 12, 2013, 500,000 warrants were exercised at a price of \$0.18.

On April 11, 2013, 490,000 warrants were exercised at a price of \$0.18.

The continued operations of the Company are dependant upon its ability to raise adequate financing in the future for its exploration projects and to cover general and administrative expenses.

As of May 31, 2013, the Company had \$151,796 (August 31, 2012 - \$37,482) in cash and cash equivalents. The Company had fully repaid the loans and accrued interest totalling \$708,544 during the period ended May 31, 2013.

OFF BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements.

COMMITMENTS

The Company has entered into two lease agreements with future minimum lease payments relating to office premise as follows:-

2013	\$	36,855
2014		178,500
2015		184,716
2016		153,930
	\$	<u>554,001</u>

As a condition of the office premises lease agreements, the Company placed a deposit of \$108,992 as of May 31, 2013 to be applied against future years.

ACCOUNTING POLICIES

Accounting standards issued but not yet applied

IFRS 9, Financial Instruments

The standard was issued in November 2009, and amended in October 2010, as the first step to replace IAS 29: Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized costs and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 also amends some of the requirements of IFRS 7: Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income/loss and guidance on financial liabilities and de-recognition of financial instruments. The effective date for the Company of IFRS 9 is July 1, 2015, with early adoption permitted. The Company has not yet assessed the impact of this standard.

IFRS 10, Consolidated financial statements

The standard provides additional guidance to assist the determination of control and whether an entity should be included within the consolidated financial statements of the parent company. This new standard is applicable for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IFRS 11, Joint arrangements

The standard provides for accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The new standard is effective for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IFRS 12, Disclosure of Interests in Other Entities

The standard was issued in May 2011 to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). IFRS 12 is effective commencing July 1, 2013, with early adoption permitted.

IFRS 13, Fair value measurement

The standard sets out in a single IFRS a framework for measurement of fair value and related disclosures. The definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. This new standard is applicable for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IAS 28, Investments in associates

IAS 28 was amended in 2011 which prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted, and is not expected to significantly impact the Company.

RELATED PARTY TRANSACTIONS

During the periods ended May 31, 2013 and 2012, the Company had the following related party transactions:

- a) Key management personal compensation

	May 31, 2013		May 31, 2012	
Short-term employee benefits	\$	163,166	\$	397,670
Share-based compensation		-		273,873
	\$	163,166	\$	671,543

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the periods ended May 31, 2013 and 2012.

- b) During the period ended May 31, 2013, \$15,000 (2012 - \$nil) was paid for secretarial services to a private company controlled by a director, and \$59,220 (2012 - \$80,370) to a private company controlled by a former officer of the Company.
- c) During the period ended May 31, 2013, \$10,000 (2012 - \$nil) was paid for consulting services to a private company controlled by a director.
- d) As of May 31, 2013, \$15,712 (August 31, 2012 - \$44,956) was due to a company controlled by an former officer.
- e) As of May 31, 2013, \$nil (August 31, 2012 - \$65,500) was due to directors and a company controlled by a director. The amounts due to and from related parties are non-interest bearing unsecured and are without fixed terms of repay.
- f) During the period ended May 31, 2013, the Company obtained loans from directors and companies controlled by them.

During the nine months ended May 31, 2013, the Company obtained loans of \$nil (August 31, 2012 - \$708,544) from a director and company controlled by him. These loans are unsecured, non-interest bearing and without any fixed terms of repayment.

On January 2, 2008 the Company entered into an Employment Agreement with Ioannis (Yannis) Tsitos whereby Mr. Tsitos agreed to act as the President and CEO of the Company. In consideration, the Company agreed to pay Mr. Tsitos \$120,000 per year. In addition, Mr. Tsitos is entitled to receive \$120,000 if Mr. Tsitos' employment is terminated without just cause. Mr. Tsitos is entitled to receive \$360,000 if Mr. Tsitos' employment is terminated without just cause in a twelve month period following the date of any change of control. If Mr. Tsitos terminates his employment with the Company at any time within twelve months of a change of control, he would be entitled to a lump sum payment of \$120,000. Effective July 1, 2011, the directors have agreed to pay Mr. Tsitos \$180,000 per year.

On April 16, 2011 the Company entered into a Consultancy and Advisory Agreement with Hampson Equities Ltd. ("HEL") a private company controlled by Mr. Geoffrey Hampson, a director of the Company, whereby HEL will provide financing and business development services to the Company. In consideration, the Company agreed to pay HEL \$10,000 per month for a period of six months effective May 1, 2011. The agreement was terminated in April 2012.

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as held-for-trading; and accounts payable, loans payable and due to related parties as other financial liabilities. Instruments classified as held-for-trading are measured at fair value with realized gains and losses recognized in profit or loss.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Fair value

The carrying values of cash and cash equivalents, restricted cash and accounts payable approximate their fair values due to the short-term nature of these financial instruments.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument fails to meet its financial obligations. The Company's exposure to credit risk is principally its cash and cash equivalents. The Company mitigates this risk by placing its cash and cash equivalents in major Canadian banks and subsidiaries of Canadian banks located in Guyana and Chile. The Company's exposure to credit risk is not considered significant.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At May 31, 2013, the Company had accounts payable totalling \$589,810 (August 31, 2012 - \$1,256,405), due within three months of period-end, amounts due to related parties of \$15,712 (August 31, 2012 - \$78,613), with no stated terms of repayment, and loans payable of \$nil with no fixed terms of repayment (August 31, 2012 - \$708,544).

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consists of cash held in bank accounts and a guaranteed investment certificate ("GIC") that earns interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in interest rates will not have a significant impact on the fair value or future cash flows of the cash and cash equivalents of the Company.

(ii) Foreign currency risk

The Company is exposed to foreign currency fluctuations to the extent financial instruments are not denominated in Canadian dollars. The Company has operations in Chile, Brazil and Guyana. As at May 31, 2013 and August 31, 2012, the Company had monetary net assets and net liabilities in foreign currency (expressed in Canadian dollars) as follows:

	May 31, 2013		August 31, 2012	
	Monetary Net Assets	Monetary Net Liabilities	Monetary Net Assets	Monetary Net Liabilities
Guyana dollars	\$ 249,314	\$ 160,172	\$ 166,158	\$ 677
Brazil real	-	-	-	-
US dollars	-	-	-	-
	\$ 249,314	\$ 160,172	\$ 166,158	\$ 677

Based on the above net foreign currency exposure as at May 31, 2013, a 10% increase (decrease) in the value of the foreign currencies against the Canadian dollar would increase or decrease the Company's net loss and comprehensive loss by \$8,914 for the period ended May 31, 2013 (August 31, 2012 - \$16,548). The Company has not entered into any foreign currency contracts to mitigate this risk.

(iii) Other price risk

The Company is not exposed to significant other price risk.

PERSONNEL

Directors and Officers:

Ioannis (Yannis) Tsitos, Director, President and Chief Executive Officer
Christopher G. Hampson, Chairman and Director
Demetreus (Jim) Heras, Chairman Emeritus and Director
Art Freeze, Director
Tim Crowhurst, Director (appointed August 31, 2012; resigned May 15, 2013)
Geoff Watson, Director (appointed September 13, 2012) and CFO (appointed May 1, 2013)
Dr. Luiz Bizzi, Director
Albert Wu, Chief Financial Officer (resigned May 1, 2013)

DISCLOSURE OF OUTSTANDING SHARE DATA

Information as of the date of this MD&A:

Common shares issued and outstanding	-	38,073,526
Stock options	-	1,040,000
Warrants	-	18,648,250

INVESTOR RELATIONS ACTIVITIES

On September 21, 2012, the Company entered into an agreement with Primoris Group Inc. ("Primoris Group") to provide media relations and investor relations services to the Company for a

one-year period. Under the terms of the agreement, Primoris Group will execute a comprehensive communications program to support the Company's growth strategy, for which it will be paid a fee of \$8,000 per month. Primoris Group had also been granted options to purchase 300,000 common shares at \$0.25 per share, exercisable for a period of five years and which vest in one year.

The agreement between the Company and Primoris Group is renewable and can be terminated after three months by either party with 30 days' written notice.

RISKS AND UNCERTAINTIES

Resource Exploration and Development is generally a Speculative Business. Please refer to any previous quarter of the MD&A for a detailed discussion of the various risks and uncertainties.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates were used in the preparation of the financial statements. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The Company's recorded value of the Company's mineral properties is in all cases, based on historical costs that are to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk as well as environmental risk. The Company's financial statements have been prepared with these risks in mind. All of the assumptions set out herein are potentially subject to significant change and out of the Company's control. These changes are not determinable at this time.