Atlantic Gold Corporation

(formerly Spur Ventures Inc.)

Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2014 and 2013
(Stated in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Atlantic Gold Corporation (formerly Spur Ventures Inc.)
Condensed Interim Consolidated Statements of Financial Position (unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	**$ 21,033,532**	$ 28,922,649
Prepaid expenses	**139,546**	43,633
Receivables	**481,080**	113,545
Due from related parties (Note 10)	**69,453**	63,046
Total Current Assets	**21,723,611**	29,142,873
Property, plant and equipment (Notes 5, 6, 7)	**3,971,261**	14,757
Mineral Properties (Notes 5, 6, 8)	**19,957,322**	-
Other non-current assets	**470,863**	-
TOTAL ASSETS	**$ 46,123,057**	$ 29,157,630
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 803,658**	$ 61,545
Due to related parties (Note 10)	**49,904**	10,235
TOTAL LIABILITIES	**853,562**	71,780
Shareholders' equity		
Share capital (Note 9a)	**68,072,249**	53,258,507
Contributed surplus (Note 9b, 9c)	**12,490,540**	10,227,578
Deficit	**(35,293,294)**	(34,400,235)
Total Shareholders' Equity	**45,269,495**	29,085,850
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 46,123,057**	$ 29,157,630

Commitments (Note 11)

Approved by the Board:

"Donald Siemens" Director

"Robert Atkinson" Director

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

Atlantic Gold Corporation (formerly Spur Ventures Inc.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

		Three months ended September 30, 2014		Three months ended September 30, 2013		**Nine months ended September 30, 2014**		Nine months ended September 30, 2013
Expenses								
Amortization	**$**	**3,585**	$	2,510	**$**	**7,231**	$	7,399
Corporate Development		**(122,193)**		46,905		**263,822**		365,275
Director fees		**18,750**		22,500		**54,167**		62,500
Management Fees, salaries and benefits		**100,390**		175,194		**317,085**		438,422
Office and general		**68,619**		20,492		**111,082**		53,094
Professional fees		**144,030**		30,705		**196,683**		62,021
Rent		**34,342**		23,867		**85,297**		71,504
Share-based payments (Note 9b)		**70,546**		26,386		**188,935**		166,023
Transfer agent and filing fees		**(19,941)**		11,398		**62,202**		30,103
Travel, meals and entertainment		**13,644**		302		**14,807**		4,736
Net loss from operations		**(311,773)**		(360,259)		**(1,301,311)**		(1,261,077)
Other income / (expense)								
Loss on sale of investment		**(2,479)**		-		**(2,479)**		-
Interest income		**200,646**		109,614		**410,731**		325,235
Net loss and other comprehensive loss for the period	**$**	**(113,605)**	$	(250,645)	**$**	**(893,059)**	$	(935,842)
Basic weighted average number of shares outstanding		**82,429,795**		60,407,187		**67,828,725**		60,407,187
Loss per share, basic	**$**	**(0.00)**	$	(0.00)	**$**	**(0.01)**	$	(0.02)
Diluted weighted average number of shares outstanding		**82,429,795**		60,707,187		**67,828,725**		60,707,187
Loss per share, diluted	**$**	**(0.00)**	$	(0.00)	**$**	**(0.01)**	$	(0.02)

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

Atlantic Gold Corporation (formerly Spur Ventures Inc.)

Condensed Interim Consolidated Statements of Changes in Equity

For the periods ended September 30, 2014 and 2013 (unaudited)

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total equity
Balance - January 1, 2014	**60,407,187**	**$ 53,258,507**	**$ 10,227,578**	**$ (34,400,235)**	**$ 29,085,850**
Share-based payments	-	-	188,935	-	188,935
Acquisition of Atlantic Gold NL	46,275,272	12,957,076	1,534,027	-	14,491,103
Acquisition of Acadian Mining Corporation	6,876,542	1,856,666	540,000	-	2,396,666
Net loss for the period	-	-	-	(893,059)	(893,059)
Balance - September 30, 2014	**113,559,001**	**$ 68,072,249**	**$ 12,490,540**	**$ (35,293,294)**	**$ 45,269,495**

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total equity
Balance - January 1, 2013	**60,407,187**	**$ 53,258,507**	**$ 10,043,841**	**$ (33,168,429)**	**$ 30,133,919**
Share-based payments	-	-	166,023	-	166,023
Net loss for the period	-	-	-	(935,842)	(935,842)
Balance - September 30, 2013	**60,407,187**	**$ 53,258,507**	**$ 10,209,864**	**$ (34,104,271)**	**$ 29,364,100**

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

Atlantic Gold Corporation (formerly Spur Ventures Inc.)

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

	Three months ended September 30, 2014	Three months ended September 30, 2013	**Nine months ended September 30, 2014**	Nine months ended September 30, 2013
Cash used in operating activities				
Net loss for the period	**$ (113,605)**	$ (250,645)	**$ (893,059)**	$ (935,842)
Adjustments for:				
Amortization	**3,585**	2,510	**7,231**	7,399
Share-based payments	**70,546**	26,386	**188,935**	166,023
Loss on sale of investment	**2,479**	-	**2,479**	-
Interest income	**(200,646)**	(109,614)	**(410,731)**	(325,235)
Net changes in non-cash working capital:				
Receivables	**(49,609)**	(26,083)	**(81,511)**	(24,631)
Due from related parties	**325**	(5,768)	**(6,407)**	(23,278)
Prepaid expenses	**31,861**	(25,151)	**37,592**	(8,520)
Accounts payable and accrued liabilities	**(191,592)**	(17,467)	**(179,217)**	(16,450)
Due to related parties	**49,826**	-	**39,669**	(7,868)
Net cash used in operating activities	**(396,830)**	(405,832)	**(1,295,019)**	(1,168,402)
Investing activities				
Acquisition costs - Atlantic Gold NL	**(2,741,110)**	-	**(3,083,945)**	-
Acquisition costs - Acadian Mining	**(3,816,983)**	-	**(3,816,983)**	-
Disposal of equipment	**1,792**	-	**1,792**	-
Proceeds from sale of securities	**4,752**	-	**4,752**	-
Mineral property expenditures	**(31,945)**	-	**(31,945)**	-
Interest received	**70,042**	109,614	**332,231**	294,315
Net cash generated from (used in) investing activities	**(6,513,452)**	109,614	**(6,594,098)**	294,315
Change in cash and cash equivalents during the period	**(6,910,282)**	(296,218)	**(7,889,117)**	(874,087)
Cash and cash equivalents, beginning of period	**27,943,814**	29,516,896	**28,922,649**	30,094,766
Cash and cash equivalents, end of period	**$ 21,033,532**	$ 29,220,678	**$ 21,033,532**	$ 29,220,679
Supplemental cash flow information				
Interest paid	**$ -**	**$ -**	**$ -**	**$ -**
Income taxes paid	**$ -**	**$ -**	**$ -**	**$ -**

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

1 Nature of Operations

Atlantic Gold Corporation (the "Company") is a company listed on the TSX Venture Exchange and the Australian Stock Exchange (“ASX”) with a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada.

On August 20, 2014, the Company completed its acquisition of all the fully paid and partly paid ordinary shares on issue in Atlantic Gold NL (“Atlantic NL”) by way of a scheme of arrangement (“Scheme”) under Part 5.1 of the Australian Corporations Act 2001 (Cth) between Atlantic and its shareholders. The Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation concurrently with the closing of the Scheme.

On September 19, 2014, the Company completed the acquisition of all of the issued share capital in Acadian Mining Corporation ("Acadian") pursuant to a share purchase agreement (the "Agreement"). Acadian owns a number of mining claims in proximity to the claims acquired through the Atlantic NL acquisition.

The Company is focusing on advancing the development of its Nova Scotian properties as well as continuing to actively review potential acquisitions and investment opportunities.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board. These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited annual financial statements for the year ended December 31, 2013.

The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company’s audited annual financial statements for the year ended December 31, 2013, except as described in note 3 below.

The Board of Directors approved these condensed interim financial statements on November 13, 2014.

3 Adoption of / changes in accounting policies

Change in presentation currency

Effective January 1, 2014, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. The change in presentation currency was effected to reflect the reporting currency based on the functional currency of the Company. The functional currency of the Company's previously owned subsidiary, Spur BVI, was U.S dollars.

The change in presentation currency represents a change in accounting policy and thus it has been applied retrospectively from January 1, 2010, the transition date to IFRS, onwards. As the Company no longer had any subsidiaries at the effective date and its functional currency is the Canadian dollar, there are no longer any exchange differences due to the translation of foreign currency balances and transactions and as such, the Company no longer presents a balance in accumulated other comprehensive income (loss).

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

The principal subsidiaries of the Company, all of which are 100% owned, and their geographical locations as at September 30, 2014 are as follows:

Subsidiary	Location
Atlantic NL	Australia
Atlantic Gold Exploration Pty	Australia
DDV Gold Ltd.	Canada
Acadian	Canada
Annapolis Properties Corp.	Canada
6179053 Canada Inc.	Canada
6927629 Canada Corp.	Canada

IFRIC 21, Levies ("IFRIC 21")

The Company adopted IFRIC 21 on January 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation.

3 Change in Accounting Policy (continued)

IFRIC 21, Levies (“IFRIC 21”) (continued)

The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes. IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The adoption of IFRIC 21 did not affect the Company’s financial statements or disclosures as the Company’s analysis determined that no changes were required to existing accounting treatment of levies.

Property, Plant and Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is not depreciated. Depreciation is calculated at the following annual rates:

Plant and equipment	straight-line 20% - 50%
Leasehold improvements	straight-line - 20%

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Depreciation of equipment is charged to the consolidated statement of loss and comprehensive loss.

Mineral Properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition costs are capitalized and deferred until such time as the property is put into production or the property is disposed of, either through sale or abandonment, or becomes impaired. If a property is put into production, the cost of acquisition will be written off over the life of the property based on estimated economic reserves, with the exception of the advance royalty payable which will be amortized as advance royalty payments are made. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property. If a property is abandoned, the acquisition costs will be written off to operations. Recorded costs of mineral properties are not intended to reflect present or future values of the properties. The recorded costs may be subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amounts. Although the Company has taken steps that it considers adequate to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title.

3 Change in Accounting Policy (continued)

Mineral Properties (continued)

Once the rights to explore an area have been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation and classified as a component of mineral properties. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Once the technical feasibility and commercial viability of extracting a mineral resource for a particular property are demonstrable, the related exploration expenditures are reclassified into property, plant and equipment.

Impairment of Mineral Properties

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is calculated as the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, the impact of government legislation and political stability in the region, and the impact of current and expected future gold prices on potential reserves.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Asset Retirement Obligations

Asset retirement obligations will be recognized for estimated obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for an asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with the corresponding asset retirement cost recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. The Company had no asset retirement obligations at September 30, 2014 and 2013.

3 Change in Accounting Policy (continued)

Translation of Foreign Currencies

i) Functional and presentation currency: Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company, along with its wholly owned subsidiaries.

ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recorded in the consolidated statements of loss and comprehensive loss.

Use of Estimates and Judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas of judgment include the assessment of an acquisition of a business as an asset acquisition versus a business combination and the mineral property impairment indicator assessment. Areas of estimates include measurement of net assets acquired in the acquisitions of Atlantic NL and Acadian as well as the fair value calculations of the consideration paid in respect of the above acquisitions. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes to the financial statements where applicable.

4 New Accounting Standards

Standards not yet effective

IFRS 9 – Financial instruments

In May 2011, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

Further details of the new accounting Standard can be found in note 4 of the Company's audited annual financial statements for the year ended December 31, 2013.

5. Acquisition of Atlantic NL

On August 20, 2014 (the "Implementation Date"), the Company completed the acquisition of all the fully paid and partly paid ordinary shares on issue of Atlantic NL.

Under the terms of the Scheme, Atlantic NL shareholders holding fully paid ordinary shares received 0.05564 of a common share of the Company (each whole share, a "Common Share") and 0.02782 of a share purchase warrant (each whole warrant a "Warrant") for each fully paid ordinary share of Atlantic NL held. Each Warrant is exercisable to acquire one Common Share for a period of four years following the Implementation Date at a price of $0.60 per Common Share. Atlantic NL shareholders holding partly paid ordinary shares received 10% of the consideration otherwise payable to a holder of fully paid ordinary shares for each fully paid share held. As a result, a total of 46,275,272 Common Shares and 23,137,361 Warrants were issued to Atlantic NL shareholders.

In consideration for the cancellation of each outstanding option to purchase an ordinary share of Atlantic NL (each, an "Atlantic NL Option") the Company granted 0.05564 of an option to purchase a Common Share, with an exercise price of $0.50 per full Common Share and an expiry date of August 28, 2017. Options to purchase up to 973,700 Common Shares were granted to former holders of Atlantic NL Options as at the Implementation Date.

The acquisition of Atlantic NL by the Company has been accounted for as an asset acquisition.

The preliminary estimated fair value of the assets and liabilities acquired has been determined by the Company and is based on the best information management currently has available. The preliminary allocation of the estimated consideration to the assets and liabilities acquired is as follows:

Current Assets	$	665,560
Property, Plant & Equipment		3,695,015
Mineral properties		13,307,069
Other long term assets		478,094
Current Liabilities		(1,899,846)
	$	**16,245,892**
Consideration		
Common Shares issued on acquisition	$	12,957,076
Share Purchase Warrants on acquisition		1,476,639
Options to be issued under *Option Cancellation Deeds*		57,388
Estimated transaction costs		1,754,789
	$	**16,245,892**

5. Acquisition of Atlantic NL (continued)

The estimated fair value of the Common Shares and Warrants issued and the Options granted under the Option Cancellation Deeds is based on:

Description	Number of Atlantic NL securities	Exchange Ratio	Number of the Company's securities ssued	Estimated fair value per common share / warrant on the Implementation Date	Estimated fair value
Common Shares issued for Atlantic Fully Paid Shares	828,671,993	0.05564	46,106,759	$ 0.28	**$ 12,909,892**
Common Shares issued for Atlantic Partly Paid Shares	30,286,342	0.005564	168,513	0.28	**47,184**
Share Purchase Warrants issued for Atlantic NL Fully Paid Shares	828,671,993	0.02782	23,053,105	0.064	**1,471,262**
Share Purchase Warrants issued for Atlantic NL Partly Paid Shares	30,286,342	0.002782	84,256	0.064	**5,377**
Options issued under *Option Cancellation Deeds* in place of Atlantic NL Options outstanding	17,500,000	0.05564	973,700	0.059	**57,388**
					$ 14,491,103

The Warrants and Options were valued as at the Implementation Date using the Black-Scholes model based on the following assumptions:

	Warrants	Stock Options
Risk-free interest rate	1.50%	1.50%
Expected life	4 years	3 years
Annualized volatility	55%	55%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Prior to the acquisition by the Company, Atlantic NL was an ASX listed company focused on the exploration and development of the Touquoy project, which is at an advanced stage and has all major permits in place, and the Cochrane Hill project located within the Meguma Terrane in the province of Nova Scotia.

Atlantic NL has an effective ownership interest of 63.5% in the Touquoy project and is the operator and manager of the project, responsible for funding all capital and operating expenditures. Under the Touquoy joint venture agreement, on commencement of production at the Touquoy project, Atlantic will receive 100% of the Touquoy cash flow until all capital and operating expenditures, in addition to interest expenditures, have been recouped. A private net smelter return royalty of 3% is also payable in respect of the Touquoy project, two-thirds of which can be purchased for C$2.5 million.

Atlantic NL has a 100% ownership interest in the Cochrane Hill project. A private net smelter return royalty of 3% is also payable in respect of the Cochrane Hill project, two-thirds of which can be purchased for C$1.5 million.

6. Acquisition of Acadian

On September 19, 2014, the Company completed the acquisition of all of the issued share capital of Acadian in exchange for 8,876,542 common shares (the "Consideration Shares") of the Company and $3,610,740 in cash, comprising the cash consideration of $4,260,740 less a net liability adjustment of $650,000, pursuant to the Sale and Purchase Agreement (the “Agreement”) with LionGold Mining Canada Inc. (the "Vendor"), and LionGold Corp Ltd as guarantor.

Under the terms of the Agreement, a total of 2,000,000 Consideration Shares were held back from issuance to the Vendor pending the completion of certain post-closing deliverables.

The acquisition of Acadian by the Company has been accounted for as an asset acquisition.

The preliminary estimated fair value of the assets and liabilities acquired outlined below has been determined by the Company and is based on the best information management currently has available. The preliminary allocation of the estimated consideration to the assets and liabilities acquired is as follows:

Current Assets	$	91,915
Property, Plant & Equipment		270,512
Mineral properties		6,463,721
Current Liabilities		(630,299)
	$	**6,195,849**

Consideration		
Cash paid on acquisition	$	3,610,740
Common Shares issued on acquisition		1,856,666
Contingent Common Shares issuable		540,000
Estimated transaction costs		188,443
	$	**6,195,849**

The consideration of approximately $6.2 million includes transaction costs of $0.2 million. The estimated fair value of the Common Shares issued and Contingent Common Shares issuable is based on the Company’s share price as at the closing date of the Agreement, being $0.27. The value of the Contingent Common Shares issuable to Acadian have been recognized in contributed surplus and will be converted to share capital once the post-closing deliverables have been delivered by Acadian. The Company considered discounting the value of the Contingent Common Shares issuable to Acadian based on the probability of delivery of the post-closing deliverables, but concluded that the likelihood of non-performance by Acadian is negligible.

The assets of Acadian consist of the Beaver Dam and Fifteen Mile Stream gold projects, which are located in proximity to the Company’s Touquoy and Cochrane Hill Projects, plus an extensive portfolio of exploration properties totaling over 22,000 ha in the prospective Meguma Terrane of Nova Scotia, Canada. Acadian also holds existing royalty interests on the Goldenville (1% NSR), Dufferin (2% NSR) and Tangier (1% NSR) properties located in Nova Scotia.

7. Property, plant and equipment

	Equipment	Land		Total
At December 31, 2013				
Cost	89,381	-	$	89,381
Accumulated depreciation	(74,624)	-		(74,624)
Net book Value	**14,757**	**-**	**$**	**14,757**
Period ended September 30, 2014				
At January 1, 2014	14,757	-	$	14,757
Additions	172,005	3,789,805		3,961,810
Depreciation for the period	(5,306)	-		(5,306)
Closing net book value	**181,456**	**3,789,805**	**$**	**3,971,261**
At September 30, 2014				
Cost	818,005	3,789,805	$	4,607,810
Accumulated depreciation	(636,549)	-		(636,549)
Net book Value	**181,456**	**3,789,805**	**$**	**3,971,261**

8. Mineral properties – Nova Scotia

a) Acquisition Costs

		Nine months ended September 30, 2014		Nine months ended September 30, 2013
Balance - Beginning of period	**$**	**-**	$	-
Additions				
Acquisition of Atlantic NL		13,307,069		-
Acquisition of Acadian		6,463,721		-
Balance - End of period	**$**	**19,770,790**	$	-

b) Exploration Costs

		Nine months ended September 30, 2014		Nine months ended September 30, 2013
Cumulative exploration costs - Beginning of period	**$**	**-**	$	-
Exploration expenditures for the period		**186,532**		-
Cumulative exploration costs - End of period	**$**	**186,532**	**$**	**-**
Grand total - mineral properties	**$**	**19,957,322**	$	-

9. Equity

a) Authorized share capital

Unlimited common shares without par value

Unlimited number of preferred shares without par value, issuable in series and with special rights and restrictions to be determined on issuance

b) Stock options

The Company values the stock options granted using the indirect method because it cannot reliably estimate the value of the services received for the options granted. The Company uses the Black Scholes option pricing model to determine the fair value of options granted.

Options granted prior to 2011 vest over a three-year period, with one-third of the options vesting one year after the date of grant, one-third two years after the date of grant, and the remaining one-third three years after the date of grant. The vesting period for options granted after 2011 is 12.5% immediately with 12.5% each quarter over the following seven quarters.

A summary of the changes in stock options is as follows:

	Options		Weighted average exercise price
Options outstanding - January 1, 2013	5,230,000	$	0.46
Granted	50,000		0.40
Expired	(630,000)		0.90
Options outstanding - December 31, 2013	**4,650,000**	**$**	**0.38**
Granted	3,023,700		0.38
Expired	(300,000)		0.28
Options outstanding - September 30, 2014	**7,373,700**	**$**	**0.38**
Options exercisable - September 30, 2014	**5,817,450**	**$**	**0.40**

During the nine months ended September 30, 2014, the Company granted 2,050,000 stock options to officers, directors, employees and consultants at an exercise price of $0.32 expiring on June 13, 2019 (2013: 50,000 stock options granted with an exercise price of $0.40 expiring on July 26, 2018). The Company also granted a total of 973,700 stock options to former holders of stock options in Atlantic NL in conjunction with the closing of the Scheme with an exercise price of $0.50 expiring on August 28, 2017.

The weighted average fair value of the options granted for the nine months ended September 30, 2013 was $0.12 per option (2013: $0.15). The exercise price for all stock option grants during the nine months ended September 30, 2014 was equal to the market price at the time of grant with the exception of the 973,700 options granted to former holders of options in Atlantic NL where the exercise price and the market price at the grant date were $0.50 and $0.28 respectively.

On July 28, 2014, a total of 300,000 stock options with an exercise price of $0.28 expired.

9. Equity (continued)

b) Stock options (continued)

During the nine months ended September 30, 2014, share-based payments of $188,935 was recognized (2013: $166,023). During the three months ended September 30, 2014, share-based payments of $70,546 was recognized (2013: $26,386).

The following assumptions were used in the valuation of the stock options granted during the nine months ended September 30, 2014:

Risk-free interest rate	1.50% to 1.58%
Expected life	3 to 5 years
Annualized volatility	55%
Dividend rate	0.00%
Forfeiture rate	0.00%

The risk-free rate for periods within the contractual term of the option is based on the Bank of Canada administered interest rates in effect at the time of the grant. The expected life of the options granted represents the period of time that the options granted are expected to be outstanding. Expected volatilities are based on historical volatilities of stock prices of comparable companies given the limited life of the Company as an exploration company. Expected forfeiture rates are based on historical forfeitures of unvested stock options of the Company.

The following table summarizes information about the options outstanding at September 30, 2014:

Number of Options	Exercise Price CAD	Expiry Date	Number Exercisable
1,950,000	0.37	August 12, 2016	1,950,000
1,000,000	0.40	April 10, 2017	1,000,000
100,000	0.37	May 10, 2017	100,000
1,250,000	0.40	November 1, 2017	1,250,000
50,000	0.40	July 26, 2018	31,250
2,050,000	0.32	June 13, 2019	512,500
973,700	0.50	August 28, 2017	973,700
7,373,700			5,817,450

c) Share purchase warrants

At September 30, 2014, the Company had outstanding share purchase warrants exercisable to acquire 23,137,361 shares as follows:

	Number	Weighted average exercise price	Expiry date
Balance - January 1, 2014 and 2013	-	$ -	-
Issued	23,137,361	0.60	August 20, 2018
Balance - September 30, 2014	**23,137,361**	**$ 0.60**	

10. Related party transactions and key management compensation

a) Key management compensation

Key management includes the Company's directors, President and Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

	Three months ended September 30, 2014	Three months ended September 30, 2013	**Nine months ended September 30, 2014**	Nine months ended September 30, 2013
Salaries and benefits	$ 60,000	$ 66,053	**$ 177,077**	$ 189,373
Director fees	18,750	22,504	**54,167**	62,504
Share-based payments	66,238	22,445	**180,243**	151,852
	$ 144,988	$ 111,002	**$ 411,487**	$ 403,729

b) Payments for services by related parties

During the three and nine months ended September 30, 2014 and 2013, the Company incurred corporate consulting fees of $21,420 and $64,260 respectively to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at September 30, 2014, the Company owed $19,354 to Sirocco (December 31, 2013: $4,452).

During the three and nine months ended September 30, 2014 and 2013, the Company incurred corporate consulting fees of $15,300 and $45,900 respectively to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by an officer of the Company. As at September 30, 2014, the Company owed $Nil to Shariff (December 31, 2013: $533).

During the three and nine months ended September 30, 2014, the Company incurred corporate consulting fees of $nil (2013: $14,167 and $72,115 respectively) to Keppoch Advisory Services Ltd. ("Keppoch"), a company controlled by a former director and officer of the Company. As at September 30, 2014, the Company owed $nil to Keppoch (December 31, 2013: $nil).

During the three and nine months ended September 30, 2014, the Company incurred geological consulting fees of $10,000 and $30,000 (2013: $15,000 and $45,000 respectively) to Metallica Consulting Co. ("Metallica"), a company controlled by a director of the Company. As at September 30, 2014, the Company owed $5,250 to Metallica (December 31, 2013: $5,250).

During the three and nine months ended September 30, 2014, the Company incurred consulting fees of $25,300 (2013: $Nil) to Wally Bucknell, a director of the Company. As at September 30, 2014, the Company owed $25,300 to Mr. Bucknell (December 31, 2013: $Nil).

c) Services provided to related parties

The Company charged office lease and administrative expenditures to Oceanic Iron Ore Corp. ("Oceanic"), a Company with an officer and a director in common. During the three and nine months ended September 30, 2014, office lease and administrative expenditures billed to Oceanic amounted to $37,002 and $108,769 respectively (2013: $34,648 and $102,246). As at September 30, 2014, the Company was owed $38,852 from Oceanic (December 31, 2013: $35,676).

10. Related party transactions and key management compensation (continued)

c) Services provided to related parties (continued)

The Company charged office lease and administrative expenditures to Cassius Ventures Ltd. ("Cassius"), a Company with an officer and a director in common. During the three and nine months ended September 30, 2014, office lease and administrative expenditures billed to Cassius amounted to $2,272 and $6,809 respectively (2013: $4,395 and $13,256 respectively). As at September 30, 2014, the Company was owed $30,600 from Cassius (December 31, 2013: $27,370).

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

11. Commitments

As disclosed in note 10(c), the Company has a long-term office lease and shares office space and related costs with three other companies. The Company's subsidiaries also have office lease commitments in Nova Scotia and Australia. A summary of the Company's lease commitments is set out below:

2014	$	97,454
2015		291,508
2016		169,708
2017 and thereafter		359,633
	$	918,303

Exploration Tenement Commitments
In order to maintain current rights of tenure to exploration tenements, the Company is required to incur expenditures of approximately $175,792 (2013: $Nil) in respect of claim renewal fees and minimum work requirements.

12. Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, receivables, due from related parties, accounts payable, and due from related parties approximate their fair values due to their short term nature.