Terra Nova Energy Ltd.

Condensed Interim Consolidated Financial Statements

Three months ended October 31, 2013 and 2012

(Unaudited - Expressed in Canadian Dollars)

Notice of no Auditor Review of Interim Financial Statements

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.

The accompanying unaudited condensed interim consolidated financial statements of the Company 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Terra Nova Energy Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	October 31, 2013 $	July 31, 2013 $
Assets			
Current assets			
Cash		736,095	656,589
Cash held-in-trust	6	529	1,610,642
Receivables	5	577,387	1,019,841
Prepaid expenses		45,077	8,388
		1,359,088	3,295,460
Equipment		30,007	32,440
Exploration and evaluation interests	6	5,361,195	4,926,767
		6,750,290	8,254,667
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	292,780	1,115,698
Convertible notes ï liability component	9	1,747,145	1,689,012
Decommissioning obligation	6	34,570	32,256
		2,074,495	2,836,966
Equity Attributable to Shareholders			
Share capital	9	24,158,564	24,032,436
Contributed surplus		6,589,673	6,581,604
Convertible notes ï equity component	8	129,153	129,153
Accumulated other comprehensive loss		(199,636)	(666,181)
Deficit		(26,001,959)	(24,659,311)
		4,675,795	5,417,701
		6,750,290	8,254,667

Nature of operations - Note 1
Going concern - Note 2
Commitments and contingencies - Notes 6, 8 and 9

Approved by the Board of Directors on December 13, 2013

îHenry Aldorfò Director   îRobert McMorranò Director

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

Terra Nova Energy Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended October 31, 2013 and 2012
(Unaudited - Expressed in Canadian Dollars)

	Notes	2013 $	2012 $
Audit and accounting	10	46,482	41,181
Filing and transfer agent		31,816	26,264
Depreciation		2,433	3,930
Legal		20,958	99,431
Management	10	40,000	114,908
Office and miscellaneous		9,945	48,559
Overhead charged to exploration		(37,595)	-
Shareholder communications		541	36,936
Share-based payments	9(c)	36,297	33,890
Travel and related		11,302	35,064
Loss before other items		(162,179)	(440,163)
Interest income		3,800	35,019
Write-off of exploration and evaluation interests	6	(1,078,511)	-
Interest, accretion and loan placement expense	8	(105,758)	-
Net loss for the period		(1,342,648)	(405,144)
Other comprehensive income			
Exchange gain on translation of foreign accounts		466,545	63,785
Comprehensive loss for the period		(876,103)	(341,359)
Loss per share ï basic and diluted	9(f)	(0.02)	(0.01)
Weighted average number of shares outstanding ï basic and diluted		65,451,545	57,745,240

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

Terra Nova Energy Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended October 31, 2013 and 2012
(Unaudited - Expressed in Canadian Dollars)

	2013 $	2012 $
Cash Provided From (Used In)		
Operating Activities		
Net loss for the period	(1,342,648)	(405,144)
Items not affecting cash:		
Depreciation	2,433	3,930
Share-based payments ï options	36,297	33,890
Write-off of exploration and evaluation interests	1,078,511	-
Accretion and loan placement expense	58,133	-
	(167,274)	(367,324)
Net change in non-cash working capital items		
Receivables	531,252	(288,602)
Prepaid expenses	(36,689)	(44,588)
Accounts payable and accrued liabilities	(11,725)	139,007
	315,564	(561,507)
Investing Activities		
Equipment	-	(45,496)
Exploration and evaluation interests	(1,975,580)	(3,247,811)
	(1,975,580)	(3,293,307)
Financing Activities		
Proceeds from securities issued	97,900	700,000
Share issuance costs	-	(43,140)
Proceeds on promissory notes issued	-	300,000
	97,900	956,860
Foreign exchange gain (loss) on cash held in foreign currencies	31,509	(97,234)
Decrease in cash and cash held-in-trust	(1,530,607)	(2,995,188)
Cash and cash held-in-trust ï beginning of the period	2,267,231	8,810,344
Cash and cash held-in-trust ï end of the period	736,624	5,815,156
Cash paid for interest	-	-
Cash paid for income taxes	-	-

Supplemental cash flow information - Note 11

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

Terra Nova Energy Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
For the three months ended October 31, 2013 and 2012
(Unaudited - Expressed in Canadian Dollars)

	Common Shares #	Share Capital $	Contributed Surplus $	Equity Component of Convertible Notes $	AOCI $	Deficit $	Total $
Balance ï July 31, 2012	57,707,197	23,013,555	5,789,878	-	280,800	(19,147,386)	9,936,847
Issued during the period:							
For cash pursuant to private placements	3,500,000	513,702	186,298	-	-	-	700,000
Less issue costs							
Cash	-	(43,140)	-	-	-	-	(43,140)
Finderõs warrants	-	(11,585)	11,585	-	-	-	-
Share-based payments	-	-	33,890	-	-	-	33,890
Comprehensive loss for the period	-	-	-	-	63,785	(405,144)	(341,359)
Balance ï October 31, 2012	61,207,197	23,472,532	6,021,651	-	344,585	(19,552,530)	10,286,238
Issued during the period:							
Pursuant to settlement agreement	400,000	116,000	-	-	-	-	116,000
Pursuant to debt settlement	875,000	87,500	-	-	-	-	87,500
For cash pursuant to private placements	2,950,000	427,576	162,424	-	-	-	590,000
Less issue costs							
Cash	-	(61,320)	-	-	-	-	(61,320)
Finderõs warrants	-	(9,852)	9,852	-	-	-	-
Equity component of convertible notes	-	-	-	129,153	-	-	129,153
Finderõs warrants on convertible notes	-	-	93,229	-	-	-	93,229
Share-based payments	-	-	294,448	-	-	-	294,448
Comprehensive loss for the period	-	-	-	-	(1,010,766)	(5,106,781)	(6,117,547)
Balance ï July 31, 2013	65,432,197	24,032,436	6,581,604	129,153	(666,181)	(24,659,311)	5,417,701
Issued during the period:							
Pursuant to exercise of options	890,000	97,900	-	-	-	-	97,900
Transfer on exercise of options	-	28,228	(28,228)	-	-	-	-
Share-based payments	-	-	36,297	-	-	-	36,297
Comprehensive loss for the period	-	-	-	-	466,545	(1,342,648)	(876,103)
Balance ï October 31, 2013	66,322,197	24,158,564	6,589,673	129,153	(199,636)	(26,001,959)	4,675,795

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

1. Nature of operations

Terra Nova Energy Ltd. (the “Company” or "Terra Nova") was incorporated under the British Columbia Business Corporations Act. The Company’s principal business is the acquisition and exploration of petroleum and natural gas properties. The Company’s shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol “TGC”, the Frankfurt Stock Exchange under the symbol “GLTN” and the OTCQX marketplace under the symbol “TNVMF”. The Company's corporate head office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada.

2. Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At October 31, 2013, the Company had not yet achieved profitable operations, had a working capital deficiency of $715,407, had an accumulated deficit of $26,001,959 since inception and expects to incur further losses in the development of its business. In addition, at October 31, 2013, the Company had insufficient funds to continue with its exploration program as described in Note 6. As a result, these factors may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

3. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2013 which have been prepared in accordance with IFRS as issued by the IASB.

In the preparation of these interim condensed consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended July 31, 2013 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Unless otherwise stated, all dollar amounts are in Canadian dollars. The notation “A$” represents Australian dollars and “US$” represents US dollars.

4. Changes in accounting policies including initial adoption

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013.

(Unaudited - Expressed in Canadian Dollars)

The following new standards, amendments and interpretations that have been adopted for the Company’s current fiscal year have not had a material impact on the Company:

- IFRS 10 “Consolidated Financial Statements”
- IFRS 11 “Joint Arrangements”
- IFRS 12 “Disclosure of Interests in Other Entities”
- IFRS 13 “Fair Value Measurement”
- IAS 1 “Presentation of Financial Statements” amendments

5. Receivables

	October 31, 2013 $	July 31, 2013 $
GST recoverable	20,426	490,534
Recoverable withholding taxes paid on interest earned	13,033	12,161
Receivable from farmors for seismic (Note 6)	543,928	455,130
Receivable from farmors for overhead	-	62,016
Total receivables	577,387	1,019,841

6. Exploration and evaluation interests

Exploration and evaluation (“E&E”) interests consist of the following:

	October 31, 2013 $	July 31, 2013 $
Holloman Farm-in Agreement acquisition costs	835,582	835,582
Seismic expenditures – PEL 112	3,846,295	3,846,295
Seismic expenditures – PEL 444	3,319,455	3,223,844
Drilling expenditures – PEL 112	3,754,788	2,676,277
Other expenditures	66,228	28,021
Restoration obligations	34,941	34,941
Contributions from farmors	(522,369)	(522,369)
Recoverable from farmors	(547,772)	(493,009)
Write-downs	(5,254,788)	(4,176,277)
Effects of translation of foreign accounts	(171,165)	(526,538)
	5,361,195	4,926,767

a) Farm-in Agreement

On May 11, 2012, as amended on May 29, 2013, the Company entered into an oil and gas farm-in agreement to secure the right to earn up to a 55% working interest in petroleum and natural gas rights on certain on-shore Australian Petroleum Exploration Licenses (“PEL”), known as PEL’s 112 and 444 (the “Farm-in Agreement”). The purchase price paid for the E&E rights included cash payments that totaled $351,165 (US$350,000), 1,000,000 common shares having a market value of $250,000 and transaction costs including directly attributable due diligence and legal fees of $235,448.

(Unaudited - Expressed in Canadian Dollars)

The salient terms of the Farm-in Agreement require staged payments into trust against earn-in obligations as follows:

Earn-in Obligation stage	Due date	Trust account payment A$	Working interest earned on completion
Seismic	Paid	4,700,000	20%
Initial 3 – Well Program	Paid	4,500,000	5.8333% per well
Option 3 – Well Program	45 days after completion of the initial 3 – Well Program	4,500,000	5.8333% per well
Total		13,700,000	Up to 55%

The above referenced working interests cover interests earned in both PEL 112 and 444.

The above referenced trust account payments with respect to each of the Initial and Option Well Programs are to cover estimated total dry-hole costs for each Program. The Company is liable for any dry hole cost overruns incurred pursuant to the Initial 3 - Well Program and up to a maximum of the first A$4,500,000 and 55% thereafter in dry-hole costs incurred pursuant to the Option 3 - Well Program. Completion, equipping and costs to tie into a hydrocarbon gathering system (if available) shall be borne by Terra Nova as to 50% and by the Farmors as to 50%. Under the terms of the Farm-in Agreement, Terra Nova shall be entitled to 80% of the revenues earned from each of the wells drilled under the Initial Well Program and the Option Well Program until such time as it shall have recovered 100% of costs associated with the drilling and completion of each respective well, otherwise known as "payout".

Any trust funds remaining on account at the end of each of the above three phases shall be applied first as to the funding of any succeeding trust obligation and in the event that Terra Nova elects not to proceed with any of the succeeding phases, any unspent trust funds shall be for the account of the Company. Notwithstanding anything in the joint operating agreement, Terra Nova shall act as operator of the PEL's and shall have the exclusive right to propose to carry out all exploration and development work on these properties, including without limitation seismic work area clearance, Seismic Earn-in Obligation, the Initial Well Program, the Option Well Program and the completion and subsequent operation of any wells.

The Farm-in Agreement also contains various provisions in clauses for such matters as site restoration and non-participation that are typical in the oil and gas exploration industry.

b) Seismic Projects

On May 11, 2012, the Company paid the initial A$4,700,000 into trust to cover initial seismic acquisition requirements for each of PEL 112 and 444 and the interpretation of the acquired data. Any amounts incurred pursuant to the Seismic Earn-in Obligation in excess of A$4,700,000 shall be borne by Terra Nova as to 55% and by the Farmors as to 45%. As at October 31, 2013, the balance of seismic funds in the trust account amounted to A$Nil (July 31, 2013 – A$Nil).

At July 31, 2013, the Company had completed the seismic acquisition requirements for PEL 112 and accordingly, the Company earned a 20% interest in PEL 112.

At October 31, 2013, the Company had incurred A$7,056,077 ($7,165,750) of the Seismic Earn-in Obligation. The Farmors are obligated to pay for 45% of Seismic Earn-in Obligation in excess of A$4,700,000. In July 2013, the Company received contributions of A$523,259 from one of the Farmors. At October 31, 2013, the Company has recorded a receivable of A$550,702 ($543,928) from the Farmors.

(Unaudited - Expressed in Canadian Dollars)

c) Initial 3 - Well Program Earn-in Obligation

On October 31, 2012, the Company had made the A$4,500,000 payment due pursuant to the Initial 3 Well Program Earn-in Obligation. On May 29, 2013, pursuant to an amending agreement, A$500,000 was advanced to the seismic trust account. As at October 31, 2013, the balance of drilling funds in the trust account amounted to A$536 ($529) (July 31, 2013 - A$1,747,658 ($1,610,642)).

During the three months ended October 31, 2013, the Company completed one well at PEL 112 and accordingly, the Company earned an additional 5.8333% interest in PEL 112.

d) Impairment

During the three months ended October 31, 2013, the Company completed one well at PEL 112. The well resulted in a dry hole and the well was plugged and abandoned. At July 31, 2013, the Company recorded a write-down of $4,176,277. During the three months ended October 31, 2013, the Company recorded an additional write-down of $1,078,511 based on ongoing drilling expenditures.

e) Decommissioning Obligation

The Company recorded a current obligation of A$35,000 for the abandonment and restoration of the dry hole at PEL 112.

7. Accounts payable and accrued liabilities

	October 31, 2013 $	July 31, 2013 $
Trade payables	192,539	987,032
Amounts due to related parties (Note 10)	36,741	112,791
Interest payable on convertible notes (Note 8)	63,500	15,875
Total accounts payable and accrued liabilities	292,780	1,115,698

8. Convertible notes

	Liability Component $	Equity Component $
Balance ï July 31, 2012	-	-
Amount at date of issue	1,775,847	129,153
Loan placement expenses	(106,151)	-
Amortization of loan placement expenses	8,845	-
Accretion	10,471	-
Balance ï July 31, 2013	1,689,012	129,153
Amortization of loan placement expenses	26,535	-
Accretion	31,598	-
Balance ï October 31, 2013	1,747,145	129,153

On July 8, 2013, the Company issued convertible notes for the principal sum of $1,905,000. The convertible notes bear interest at 10% and are repayable on July 8, 2014. The convertible notes are convertible at the option of the holder into common shares of the Company at a conversion price of $0.11 per share.

For accounting purposes, the convertible notes are separated into its liability and equity components. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible notes assuming an 18% effective interest rate which was the estimated rate for convertible notes without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible notes and the fair value of the liability component.

In connection with the convertible notes, the Company incurred $12,922 in legal and filing fees. In addition, the Company issued an aggregate of 818,181 finder's warrants entitling the holder thereof the right to purchase a common share at a price of $0.11 per share up to July 8, 2014. The Company valued the finder's warrants at $93,229 using the Black-Scholes option pricing model. The assumptions used in the Black-Scholes option pricing model was as follows: share price of $0.20; exercise price of $0.11; expected volatility of 100%; expected life of 1 year; a risk-free interest rate of 0.78%; and an expected dividend rate of nil. The aggregate loan placement expenses of $106,151 have been recorded against the liability component and are being amortized to the statements of comprehensive loss over the life of the convertible notes.

During the three months ended October 31, 2013, the Company recorded interest expense of $47,625, accretion expense of $31,598 and amortization of loan placement expenses of $26,535.

9. Share capital

a) Authorized:

An unlimited number of common shares without par value.

b) Financings:

During the three months ended October 31, 2013, the Company did not complete any financings. During the three months ended October 31, 2012, the Company completed the following financing:

i) On October 31, 2012, the Company completed the first tranche of a non-brokered private placement of 3,500,000 units at a price of $0.20 per unit for gross proceeds of $700,000. Each unit is comprised of one common share and one share purchase warrant entitling the holder thereof the right to purchase one additional common share at a price of $0.30 per share up to October 31, 2014. The Company allocated $186,298 to the share purchase warrants using the relative fair value method. The assumptions used in the Black-Scholes option pricing model was as follows: share price of $0.18; exercise price of $0.30; expected volatility of 100%; expected life of 2 years; a risk-free interest rate of 1.5%; and an expected dividend rate of nil.

c) Options:

The Company has established a stock option plan in accordance with the policies of the TSX Venture Exchange under which it is authorized to grant share purchase options up to 10% of its outstanding shares. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Market Price (as that term is defined in the policies of the TSX Venture Exchange). The options are for a maximum term of ten years and vest as determined by the board of directors.

(Unaudited - Expressed in Canadian Dollars)

A summary of the status of the Companyș stock option plan as at October 31, 2013 and July 31, 2013 and the changes during the periods then ended is presented below:

	Number of options	Weighted average exercise price $
Balance outstanding ï July 31, 2012	2,750,000	0.30
Granted	1,600,000	0.20
Forfeited	(550,000)	0.30
Balance outstanding ï July 31, 2013	3,800,000	0.26
Granted	890,000	0.11
Exercised	(890,000)	0.11
Balance outstanding ï October 31, 2013	3,800,000	0.26
Exercisable ï October 31, 2013	3,350,000	0.25

During the three months ended October 31, 2013, the weighted average stock price on each option exercise date during that period was $0.055.

At October 31, 2013, stock options outstanding that entitled the holder thereof to acquire one share for each option held are as follows:

Expiry Date	Exercise Price $	Number of Options Outstanding	Number of Options Exercisable
June 10, 2014	0.30	400,000	400,000
November 30, 2014	0.30	500,000	500,000
May 16, 2015	0.30	600,000	600,000
July 18, 2018	0.18	1,400,000	1,400,000
May 16, 2022	0.30	(1)900,000	450,000
		3,800,000	3,350,000

(1) 50% of these stock options vested on the grant date and 50% vested on November 16, 2013.

During the three months ended October 31, 2013, the Company recorded share-based payments expense of $36,297 (2012 - $33,890). The weighted average fair value of stock options granted during the three months ended October 31, 2013 of $0.032 per option was estimated using the Black-Scholes option pricing model with the following assumptions:

	2013	2012
Average stock price	0.06	N/A
Average exercise price	0.11	N/A
Average risk-free interest rate	1.63%	N/A
Expected life	4.0 years	N/A
Expected volatility	100%	N/A
Expected dividends	$nil	N/A

The expected volatility was calculated in comparison to similar TSX Venture Exchange companies and the historical stock price of the Company since being listed.

(Unaudited - Expressed in Canadian Dollars)

d) Warrants:

A summary of warrants outstanding as of October 31, 2013 and July 31, 2013 and changes during the periods then ended is presented below:

	Number of warrants	Weighted average exercise price $
Balance outstanding ï July 31, 2012	57,249,964	0.30
Issued	7,590,681	0.28
Expired	(11,233,000)	0.30
Balance outstanding ï October 31, 2013 and July 31, 2013	53,607,645	0.29

At October 31, 2013, warrants outstanding that entitled the holder thereof to acquire one share for each warrant held are as follows:

Expiry Date	Exercise Price $	Number of Warrants
May 11, 2014	0.30	42,608,300
May 11, 2014	0.25	3,408,664
July 8, 2014	0.11	818,181
October 31, 2014	0.30	3,500,000
November 6, 2014	0.30	1,000,000
November 26, 2014	0.30	1,550,000
December 5, 2014	0.30	722,500
		53,607,645

e) Convertible notes:

The Company has outstanding convertible notes (Note 8) which are convertible into 17,318,181 common shares of the Company. The conversion feature expires on July 8, 2014.

f) Basic and diluted loss per share:

During the three months ended October 31, 2013 and 2012, potentially dilutive common shares totaling 74,725,826 (2012 ï 63,674,964) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

(Unaudited - Expressed in Canadian Dollars)

10. Related party transactions

During the three months ended October 31, 2013 and 2012, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies they owned or were significant shareholders of:

	2013 $	2012 $
Non-audit accounting fees	17,013	-
Legal fees	2,354	-
Management fees	40,000	111,500
Exploration and evaluation interests ï management and consulting fees	43,281	106,382
	102,648	217,882

At October 31, 2013, accounts payable and accrued liabilities included $36,741 (July 31, 2013 - $112,791) of amounts owing to directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts owing are unsecured, non-interest bearing and due on demand.

In addition to the related parties disclosed above, $33,000 of the convertible notes (Note 8) are related party transactions as they were transactions entered into with directors of the Company.

Key management includes the current and former Chief Executive Officer, the current and former Chief Financial Officer, the former Chief Operating Officer and the current and former directors of the Company. The compensation paid or payable to key management for services during the three months ended October 31, 2013 and 2012 is identical to the table above other than share-based payments expense. During the three months ended October 31, 2013, key management received share-based payments of $36,297 (2012 - $27,112).

11. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the three months ended October 31, 2013 the following transactions were excluded from the statement of cash flows:

a) exploration and evaluation interest expenditures of $92,296 included in accounts payable and accrued liabilities at October 31, 2013, less expenditures included in accounts payable at July 31, 2013 of $903,489 (net inclusion of $811,193); and,

b) exploration and evaluation interest of $543,928 included in receivables at October 31, 2013, less amounts included in receivables at July 31, 2013 of $455,130 (net inclusion of $88,798).

During the three months ended October 31, 2012 the following transactions were excluded from the statement of cash flows:

a) exploration and evaluation interest expenditures of $193,508 included in accounts payable and accrued liabilities at October 31, 2012, less expenditures included in accounts payable at July 31, 2012 of $164,911 (net exclusion of $28,597); and,

b) the issuance by the Company of agent warrants at the fair value of $11,585.

(Unaudited - Expressed in Canadian Dollars)

12. Geographic Information

Management has presented segmented information on a geographical basis. Geographic segment information of the Company's assets is as follows:

	October 31, 2013 $	July 31, 2013 $
Canada	302,629	404,310
Australia	6,447,661	7,850,357
Total assets	6,750,290	8,254,667

Geographic segmentation of the Company's net (loss) income during the three months ended October 31, 2013 and 2012 is as follows:

	2013 $	2012 $
Canada	(281,929)	(409,074)
Australia	(1,060,719)	3,930
Net loss	(1,342,648)	(405,144)

Geographic segmentation of the Company's capital expenditures during the three months ended October 31, 2013 and 2012 is as follows:

	2013 $	2012 $
Australia	1,975,580	3,293,307
Total capital expenditures	1,975,580	3,293,307