CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2014

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim 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.

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	June 30, 2014	December 31, 2013
ASSETS		
Current		
Cash	$ 101,037	$ 33,751
Receivables	8,866	6,204
Marketable securities (Note 3)	486,400	1,875,900
Prepaids	3,301	9,376
	599,604	1,925,231
Investment in associate (Note 4(a))	519,720	638,495
Exploration and evaluation assets (Note 5)	8,658,510	8,658,510
Total assets	$ 9,777,834	$ 11,222,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 435,107	$ 581,630
Promissory note payable (Note 6)	-	1,000,000
Loan payable (Note 7)	3,500,000	-
Accounts payable to related parties (Note 9)	139,712	146,230
	4,074,819	1,727,860
Loan payable (Note 7)	-	3,500,000
	4,074,819	5,227,860
Shareholders' equity		
Share capital (Note 8)	34,977,375	34,977,375
Reserves (Note 8)	4,654,020	4,487,384
Deficit	(33,928,380)	(33,470,383)
	5,703,015	5,994,376
Total liabilities and shareholders' equity	$ 9,777,834	$ 11,222,236

Nature and continuance of operations (Note 1)
Commitments and contingency (Notes 9 and 14)

On behalf of the Board on August 19, 2014

"Gary Schellenberg" Director *"Paul Chung"* Director

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS)
AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Expressed in Canadian Dollars)

	For the three months ended June 30, 2014	For the three months ended June 30, 2013	For the six months ended June 30, 2014	For the six months ended June 30, 2013
OPERATING EXPENSES				
Administration fees	$ 3,000	$ 3,000	$ 6,000	$ 6,000
Argentina administration	43,006	103,106	88,276	186,760
Consulting fees	64,920	70,626	129,585	123,701
Depreciation	-	596	-	1,192
Foreign exchange (gain) loss	(5,886)	7,889	(6,838)	22,567
Interest and bank charges	176,153	194,507	358,714	387,112
Management fees	22,500	22,500	45,000	45,000
Office and miscellaneous	24,839	26,209	45,948	57,347
Professional fees	47,014	69,567	81,402	107,860
Property investigation	43,057	-	43,057	-
Shareholder communications	8,920	13,304	17,551	45,368
Share-based payments (Note 8)	166,636	-	166,636	-
Transfer agent and filing fees	6,734	3,704	13,669	10,911
Travel and related	4,008	13,734	9,018	22,759
Total operating expenses	(604,901)	(528,742)	(998,018)	(1,016,577)
Interest income	3,945	9,164	5,370	16,930
Proceeds on settlement (Note 5)	-	1,000,000	-	1,000,000
Dilution gain on investment in associate (Note 4(a))	-	-	-	107
Equity loss from associate (Note 4(a))	(48,368)	(60,629)	(118,775)	(144,617)
Loss on sale of equipment	-	-	-	(7,218)
Gain on sale of exploration and evaluation assets (Note 5)	-	-	-	300,000
Realized gain on marketable securities (Note 3)	85,835	-	493,326	-
Unrealized gain on marketable securities (Note 3)	(30,650)	(440,400)	160,100	(426,100)
Realized gain on securities (Note 4(b))	-	(95,000)	-	(95,000)
Recovery on exploration and evaluation assets (Note 5)	-	1,574,385	-	1,573,556
	10,762	1,987,520	540,021	2,217,658
Income (loss) and comprehensive income (loss) for the period	$ (594,139)	$ 1,458,778	$ (457,997)	$ 1,201,081
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.01	$ (0.01)	$ 0.01
Weighted average number of common shares outstanding – basic and diluted	147,816,447	147,816,447	147,816,447	147,816,447

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED JUNE 30

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ (457,997)	$ 1,201,081
Items not affecting cash:		
Depreciation	-	1,192
Dilution gain on investment in associate	-	(107)
Equity loss from associate	118,775	144,617
Unrealized foreign exchange	4,317	-
Share-based payments	166,636	-
Interest expense	358,714	387,112
Loss on sale of property and equipment	-	7,218
Gain on sale of exploration and evaluation assets	-	(300,000)
Realized gain on marketable securities	(493,326)	-
Unrealized gain on marketable securities	(160,100)	426,100
Realized loss on investment in securities	-	95,000
Recovery on exploration and evaluation assets	-	(1,573,556)
Changes in non-cash working capital items:		
Decrease in receivables	(2,662)	27,721
Decrease in prepaid expenses	6,075	7,507
Increase (decrease) in accounts payable and accrued liabilities	(20,557)	(2,275)
Decrease in accounts payable to related parties	(2,502)	(172,178)
Net cash (used in) provided by operating activities	(482,627)	249,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of equipment	-	10,000
Proceeds on sale of exploration and evaluation assets	-	300,000
Exploration and evaluation expenditures	(6,027)	(216,812)
Proceeds on sale of marketable securities	2,042,926	-
Net cash provided by investing activities	2,036,899	93,188
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of promissory note	(1,000,000)	-
Interest paid	(486,986)	(715,069)
Net cash used in financing activities	(1,486,986)	(715,069)
Net change in cash	67,286	(372,449)
Cash, beginning of the period	33,751	752,138
Cash, end of the period	$ 101,037	$ 379,689

Supplemental disclosures with respect to cash flows (Note 10)

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2012	147,631,447	$ 34,977,375	$ 4,470,381	$ (32,523,167)	$ 6,924,589
Equity investment – share-based payments	-	-	17,003	-	17,003
Income for the period	-	-	-	1,201,081	1,201,081
Balance, June 30, 2013	147,816,447	34,977,375	4,487,384	(31,322,086)	8,142,673
Loss for the period	-	-	-	(2,148,297)	(2,148,297)
Balance, December 31, 2013	147,816,447	34,977,375	4,487,384	(33,470,383)	5,994,376
Share-based payments	-	-	166,636	-	166,636
Loss for the period	-	-	-	(457,997)	(457,997)
Balance, June 30, 2014	147,816,447	$ 34,977,375	$ 4,654,020	$ (33,928,380)	$ 5,703,015

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

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1. NATURE AND CONTINUANCE OF OPERATIONS

TNR Gold Corp. (the "Company") was incorporated on January 14, 1988 under the laws of the Province of British Columbia and is in the process of exploring its resource properties. The Company's head office address is Suite 620 – 650 West Georgia Street, Vancouver, BC, V6B 4N9. The registered and records office address is Suite 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8. The Company is listed on the Toronto Stock Exchange-Venture and trades under the stock symbol "TNR".

The Company is in the process of exploring and developing its mineral properties located in the United States and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. The Company has not generated revenue from operations; additional financing will be required. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

	June 30, 2014	December 31, 2013
Working capital	$ (3,475,215)	$ 197,371
Deficit	(33,928,380)	(33,470,383)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2013.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Significant accounting judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts, certain financial instruments, impairment testing and the calculation of share-based payments. The Company has reviewed its exploration and evaluation assets for indications of impairment and adjusted the carrying values of the exploration and evaluation assets to reflect management's decision to abandon certain properties. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets.

The most significant judgments relate to the recoverability of capitalized amounts, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

New standards adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

New standard not yet adopted

IFRS 9 *Financial Instruments (Revised)* was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 *Financial instruments: recognition and measurement*. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

(Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

The Company holds marketable securities in certain publicly traded entities received as payment on option agreements and pursuant to the Los Azules settlement (Note 5). The securities are measured at fair value by reference to quoted stock prices on established exchanges. As at June 30, 2014, the fair value of securities held was $486,400 (December 31, 2013 - $1,875,900) and had a cost base of $345,650 (December 31, 2013 - $2,108,761).

During the period ended June 30, 2014, the Company sold 745,000 shares of McEwen Mining Inc. ("McEwen") for proceeds of $2,042,926 (2013 - $Nil) and realized a gain of $493,326 (2013 - $Nil).

4. INVESTMENTS

a) Investment in Associate

The Company accounts for its investment in International Lithium Corp. ("ILC") on an equity basis. As at June 30, 2014, the Company holds a 24.6% (December 31, 2013 – 24.6%) interest in ILC.

Investment in associate is as follows:

	Number of ILC Shares		Investment in Associate
Balance as at December 31, 2012	19,000,000	$	894,831
Equity investment – share-based payments	-		17,003
Dilution gain on equity investment	-		107
Equity loss for the year	-		(273,446)
Balance as at December 31, 2013	19,000,000		638,495
Equity loss for the period	-		(118,775)
Balance as at June 30, 2014	19,000,000	$	519,720

The table below discloses selected financial information for ILC on a 100% basis.

		June 30, 2014		December 31, 2013
Loss and comprehensive loss for the period	$	(482,185)	$	(1,110,090)
Total assets	$	3,610,420	$	6,438,760
Total liabilities		1,172,180		3,518,334
Total equity		2,438,240		2,920,426

b) Investment in Securities

In fiscal 2011, the Company received 19,000,000 ILC warrants. The ILC warrants expired, unexercised, on May 19, 2013.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets for the year ended June 30, 2014:

June 30, 2014		**Shotgun Gold Project, Alaska**
Acquisition costs, beginning and end of period	$	1,927,580
Deferred exploration costs, beginning and end of period		6,730,930
Exploration and evaluation assets, end of period	$	8,658,510

Summary of exploration and evaluation assets for the year ended December 31, 2013:

December 31, 2013	December 31, 2012	Recoveries and write-offs	Total Acquisition Costs	Exploration Costs	Recoveries and write-offs	Property Total December 31, 2013
Argentina						
Solitario Properties	$ 325,000	$ (325,000)	$ -	$ 1,038,284	$ (1,038,284)	$ -
Canada						
Big Beaverhouse (Ontario)	-	-	-	38,946	(38,946)	-
Seabrook (Ontario)	-	-	-	64,331	(64,331)	-
Soules Bay (Ontario)	30,690	(30,690)	-	8,973	(8,973)	-
	30,690	(30,690)	-	112,250	(112,250)	-
United States						
Shotgun Gold Project (Alaska)	1,927,580	-	1,927,580	6,730,930	-	8,658,510
Lake Illiamna-Bristol Bay (Alaska)	70,571	(70,571)	-	589,908	(589,908)	-
	1,998,151	(70,571)	1,927,580	7,320,838	(589,908)	8,658,510
	$ 2,353,841	$ (426,261)	$ 1,927,580	$ 8,471,372	$ (1,740,442)	$ 8,658,510

Title to mineral property interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Shotgun Gold Project (Alaska)

The Company owns 100% of certain unpatented mineral claims located in the Kuskokwim and Bristol Bay district, Alaska. During the year ended December 31, 2013, the Company staked 66 additional mining claims, each 160 acres, surrounding the Shotgun Ridge prospect.

NovaGold Resources Alaska, Inc. retains a 2% net smelter royalty ("NSR") which can be purchased by the Company for US$5,000,000 any time prior to a production decision being made. A portion of the claims are subject to a 5% net proceeds royalty.

Lake Illiamna-Bristol Bay (Alaska)

The Company owned a 100% interest in certain mineral claim blocks located in the Lake Illiamna-Bristol Bay Area, Alaska, U.S.A.

During the year ended December 31, 2013, the Company relinquished its interest in the Lake Illiamna property and recognized a write-off of $660,479.

Solitario Properties (Argentina)

Batidero (Argentina)

The Company has a 25% interest in the Batidero property in San Juan Argentina. NGEx Resources Inc. ("NGEx") holds the remaining 75% interest of which Japan Oil, Gas and Metal National Corporation can earn a 40% interest of NGEx's 75% interest. During the year ended December 31, 2013, the Company sold its 25% interest in Batidero for $300,000 (received) which resulted in a gain on sale of exploration and evaluation assets of $275,000 and retained a 7% net profits royalty.

Los Azules (Argentina)

During the year ended December 31, 2013, the Company finalized a settlement with Minera Andes Inc., Minera Andes S.A., Los Azules Mining Inc. ("LAMI"), Andes Corporacion Minera S.A. ("Andes" and, together with LAMI, "Minera Andes"), McEwen and MIM Argentina Exploraciones S.A. which resolves litigation with respect to the Los Azules copper project that was commenced in 2008.

Pursuant to the settlement agreement, each party terminated all of its claims relating to the ongoing litigation related to the Los Azules project, the Company transfered to Minera Andes all of its interest in an adjacent property known as Escorpio IV, the Company received 1,000,000 common shares in the capital of McEwen, and Minera Andes and the Company entered into an amended and restated exploration and option agreement which includes:

1. restoring a 25% back-in right (the "Back-in Right") to the Company, exercisable following the completion of a feasibility study, without the requirement that the feasibility study be completed within 36 months of the exercise of the option thereunder (which 36 month restriction was the subject of part of the litigation);
2. amending the NSR (which the Company will be entitled to under certain circumstances discussed below) from 1% to 0.6%; and
3. amending the definition of the NSR to be an industry-standard definition.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Los Azules (Argentina) (cont'd…)

The Back-in Right allows the Company to back-in to the project for up to a 25% interest in the northern part of the Los Azules property. Upon execution of the Back-in Right, the Company will be obligated to pay Minera Andes two times the corresponding percentage proportion of Minera Andes' expenses in relation to the property or its exploration. Upon payment of such amount, the Company's wholly-owned subsidiary, Solitario, will be entitled to a pro rata share of the product and liable for a pro rata share of the expenses relating to the property. Solitario may elect to contribute on a pro rata basis to the costs of maintaining and developing mining operations on the property or its interest will be diluted at the rate of 1% for every US$250,000 of expenditures incurred by Minera Andes.

If the Company backs-in to an interest in the property of 5% or less, or its interest is diluted (as described in the preceding paragraph) to such percentage, in lieu of an equity interest in the property, the Company shall be entitled to a NSR of 0.6% based upon the minerals extracted from the northern part of the Los Azules property.

The 1,000,000 common shares in the capital of McEwen were received by the Company at a value of $2,230,000 following the completed transfer of title of Escorpio IV to McEwen and are included in marketable securities (Note 3).

During the year ended December 31, 2013, the Company settled a collateral claim related to the Los Azules litigation and received $1,000,000 from third party insurers.

La Ortiguita (Argentina)

The Company has a 25% interest in the La Ortiguita property in San Juan Argentina and retains a 1.5% NSR royalty. LaMancha Resources Ltd. owns the remaining 75% interest. As of December 31, 2013, the Company elected to write-off all associated costs capitalized to La Ortiguita property as exploration activity on the claims will not be pursued in the near term.

Additional Properties (Argentina)

The Company has title to a number of additional claims in Argentina. The Company is in the process of reviewing these holdings and does not intend to perform additional exploration work in the near future. Consequently, the Company wrote-off exploration and evaluation assets of $681,817 as at December 31, 2013.

Big Beaverhouse (Ontario)

On October 14, 2009, the Company acquired, by staking certain claims known as the Big Beaverhouse property located in Ontario, Canada. During the year ended December 31, 2013, the Company decided not to pursue the property and wrote-off exploration and evaluation assets of $38,946.

Seabrook Lake (Ontario)

In fiscal 2011, the Company acquired the Seabrook Lake property consisting of three claims in Ontario, Canada. During the year ended December 31, 2013, the Company decided not to pursue the property and wrote-off exploration and evaluation assets of $64,331.

Soules Bay (Ontario)

In fiscal 2011, the Company signed a purchase option agreement to earn a 100% interest in the Soules Bay property located in Thunder Bay, Ontario. To earn its 100% interest, the Company was required to pay a total of $99,065 and issue 150,000 common shares to the Optionor over four years. During the year ended December 31, 2013, the Company relinquished its interest in the Soules Bay property and recognized a write-off of $39,663.

(Expressed in Canadian Dollars)

6. PROMISSORY NOTE PAYABLE

In fiscal 2011, the Company signed a promissory note payable with a principal sum of $1,000,000. Interest accrued at a rate of 8% per annum, and is payable quarterly, on the last day of each quarter. During the period ended June 30, 2014, the Company settled the promissory note of $1,000,000 plus accrued interest of $56,986.

7. LOAN PAYABLE

During the year ended December 31, 2012, the Company signed a loan agreement for $3,500,000. The loan accrues interest at a rate of 20% per annum with interest payments made annually. The loan is due and payable on or before May 31, 2015 and is secured by a promissory note and general security agreement.

During the period ended June 30, 2014, the Company paid $430,000 (2013 - $675,069) in interest on the loan.

8. SHAREHOLDERS' EQUITY

Authorized:

Unlimited common shares without par value

Unlimited class "A" non-voting convertible redeemable shares without par value.

Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2012	13,950,000	$ 0.10
Expired	(2,420,000)	0.10
Balance, December 31, 2013	11,530,000	0.10
Granted	5,275,000	0.05
Expired	(2,705,000)	0.10
Balance outstanding and exercisable, June 30, 2014	14,100,000	$ 0.08

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY (cont'd…)

Stock options (cont'd…)

As at June 30, 2014, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
2,325,000	$ 0.10	January 5, 2015
400,000	0.10	July 7, 2015
2,675,000	0.10	July 28, 2016
500,000	0.10	January 19, 2017
2,425,000	0.10	September 10, 2017
400,000	0.10	November 19, 2017
100,000	0.10	December 10, 2017
5,275,000	0.05	June 13, 2019
14,100,000		

Warrants

Warrant transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2012	5,500,000	$ 0.33
Expired	(3,000,000)	0.30
Balance outstanding and exercisable, December 31, 2013 and June 30, 2014	2,500,000	$ 0.37

At June 30, 2014, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
2,250,000	$ 0.40	December 17, 2014[1]
250,000	0.10	December 17, 2014[1]
2,500,000		

[1] Upon exercise, warrant holder will receive one common share of the Company and one quarter of one ILC share. The exercise price paid will be split between the Company and ILC on the ratio of the fair market value of the lithium and rare metals assets and Mariana property transferred to ILC pursuant to the plan of arrangement has to the fair market value of the assets of the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Accounts payable to related parties at June 30, 2014 and December 31, 2013 consist of amounts due to directors, and officers for services rendered and expense reimbursements. With the exception of the short-term promissory noted described below, all amounts are non-interest bearing and have no formal terms of repayment.

Included in accounts payable to related parties as at June 30, 2014 and December 31, 2013 is a short-term promissory note payable to a director of the Company's subsidiary. The promissory note has a principal balance of US$50,000 which accrues interest at a rate of 12% per annum. The promissory note was granted with respect to the termination of a formal compensation arrangement with the Director and is due no later than June 30, 2014. Subsequent to the period ended June 30, 2014, the Company paid US$25,000 with respect to the promissory note.

During the period ended June 30, 2014, the Company granted ILC a short term loan in the amount of $200,000. The loan bears interest at 20% per annum and is due September 30, 2014. The loan was repaid, with accrued interest, during the period ended June 30, 2014.

Management Compensation and other related party transactions

During the periods ended June 30, 2014 and 2013, the Company paid or accrued:

Transaction	Relationship	2014	2013
Management fees	A company controlled by a director	$ 45,000	$ 45,000
Administration fees	Spouse of a director	6,000	6,000
Administration fees	Officer of a subsidiary	9,000	95,533
Exploration expenditures and property investigation costs	Private company with common director	41,078	45,120
Exploration expenditures	Private company controlled by an officer	-	24,732
Rent	Private company with common director	15,600	15,730
Consulting fees	A company controlled by a director	9,000	9,075
Consulting fees	A company controlled by an officer	30,000	30,000
Consulting fees	A company controlled by an officer	36,000	10,580
Consulting fees	Director	45,000	45,000
Consulting fees	Director	-	9,000
Exploration expenditures	Private company in which an officer has a significant shareholding	-	6,042

During the period ended June 30, 2014, the Company issued 4,000,000 (2013 – Nil) stock options to key members of management and directors of the Company and recognized a related value of $126,359 (2013 - $Nil) as share-based payments expense.

Commitments - Consulting agreements

The Company has entered into consulting agreements with three officers of the Company for the provision of consulting services at a current cost of $60,000, $90,000 and $90,000 per annum respectively. The agreements renew annually at the discretion of the Company's compensation committee. If any of the agreements are terminated without cause, the Company is required to pay a lump sum equal to the greater of (a) one months' fees for each year the consultant has acted on behalf of the Company and (b) twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to three times the prior twelve months gross pay.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (cont'd…)

Commitments - Bonus

In the event the Company completes the sale of its subsidiary Solitario or its interest in the Los Azules Project, a bonus of up to US$200,000 is payable to a Director of Solitario. The bonus is calculated as 0.5% of net proceeds received by the Company in the aforementioned transaction.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended June 30, 2014 and 2013:

	2014	2013
Marketable securities received pursuant to the Los Azules settlement	$ -	$ 2,230,000
Accrued exploration expenditures in accounts payable and accrued liabilities	759	3,240
Accrued exploration expenditures in accounts payable to related parties	-	5,775

11. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, high liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business over the long term, and will need to raise adequate capital by obtaining equity financing, selling assets and/or incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd…)

Financial instruments (cont'd…)

The carrying value of cash, receivables, accounts payable and accrued liabilities, and accounts payable to related parties approximates fair value due to the short term nature of the financial instruments. Marketable securities are classified as fair value through profit or loss and measured at fair value using level 1 inputs.

Loans payable are measured at amortized cost. Fair value of long-term debt is estimated using discounted cash flow analysis based on the borrowing rate for similar borrowing arrangements. The fair value of the Company's loan approximates its carrying value (inclusive of accrued interest included in accounts payable and accrued liabilities) as the interest rate is comparable to similar borrowing arrangements.

Risk management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include, credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables mainly consist of GST receivable due from the government of Canada.

Currency risk

The Company's operations are in Argentina, Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars, its exploration programs are primarily in the United Sates and are denominated in US dollars, and its liabilities are denominated primarily in Canadian dollars, or US dollars. Consequently, the Company's exploration programs in the US are subject to currency fluctuations. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions.

The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd…)

Risk management (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings, short-term debt and the optioning of its mineral properties to other mining entities to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The loan matures May 31, 2015. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity. The loan is secured by a promissory note and general security agreement.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants, the completion of other equity financings and or optioning its mineral properties to other mining entities. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

13. SEGMENTED INFORMATION

The Company operates in one business segment which is the acquisition and exploration of mineral properties. The geographic distribution of exploration and evaluation assets is disclosed in Note 5. All equipment is situated in Canada.

14. COMMITMENTS AND CONTINGENCY

Financial Advisory Commitment

The Company has engaged PI Financial Corp. ("PI") as a financial adviser in connection with selling the Company's back-in right on the Los Azules copper project. Following the completion of a transaction, the Company will pay to PI a success fee relative to total consideration received from a third party for the back-in right subject to certain minimums.

Contingency

The Company is aware of an ongoing investigation by the Argentine Central Bank related to an inadvertent clerical error in certain compliance filings made in Argentina. The outcome of the investigation is uncertain. The Company has completed the requisite filings and is working to resolve the investigation.