ALQ GOLD CORPORATION

**Condensed Interim Financial Statements**
**Nine Months Ended November 30, 2013 and 2012**
**(Formerly Alpha Gold Corp.)**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

**NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended November 30, 2013 and comparatives for the nine months ended November 30, 2012 were prepared by management and have not been reviewed or audited by the Company’s auditors.

**ALQ Gold Corp.**
**(Exploration Stage Company)**
**Condensed Interim Statements of Comprehensive Loss**
**Expressed in Canadian dollars, Unaudited**

| | Note | Three Months Ended November 30, 2013 | Three Months Ended November 30, 2012 | Nine Months Ended November 30, 2013 | Nine Months Ended November 30, 2012 |
|---|---|---|---|---|---|
| **Operating Expenses** | | | | | |
| Consulting and management fees | 7 | $ 15,001 | $ 4,633 | $ 42,503 | $ 31,135 |
| Office, printing and miscellaneous | 7 | 9,293 | 10,745 | 29,576 | 32,369 |
| Professional fees | | 13,472 | 6,179 | 27,112 | 17,454 |
| Shareholder relations | | 426 | (20,744) | 8,882 | 25,406 |
| Regulatory fees and transfer fees | | 11,968 | 4,426 | 22,630 | 9,587 |
| Insurance | | - | - | 6,727 | 8,044 |
| Rent | 7 | 1,500 | 1,500 | 4,500 | 4,500 |
| Share-based payments | | - | - | - | 2,372 |
| Travel and promotion | | 94 | 108 | 418 | 1,055 |
| Communications | | 174 | 207 | 449 | 573 |
| Depreciation | | 1,744 | 1,805 | 5,232 | 5,040 |
| **Total Operating Expenses** | | **53,672** | **8,859** | **148,029** | **137,535** |
| **Other Items** | | | | | |
| Interest income | | (843) | (220) | (843) | (1,085) |
| General exploration | | 1,500 | 1,750 | 1,500 | 4,150 |
| Sundry income | | 1,786 | - | (38,514) | - |
| Interest expenses, bank charges and foreign exchange | | 35 | 57 | 155 | 179 |
| **Total Other Items** | | **2,478** | **1,587** | **(37,702)** | **3,244** |
| **Loss Before Tax** | | **56,150** | **10,446** | **110,327** | **140,779** |
| Deferred income tax recovery | | - | - | - | (12,008) |
| **Net Loss and Comprehensive Loss for the Period** | | **56,150** | **10,446** | **$ 110,327** | **$ 128,771** |
| Loss per share - basic and diluted | | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |
| Weighted average number of common shares outstanding | | 47,236,701 | 47,236,701 | 47,236,701 | 47,236,701 |

Expressed in Canadian dollars, Unaudited

| | Note | November 30, 2013 | February 28, 2013 |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | | $ 193,465 | $ 185,004 |
| Receivables | | 6,292 | 9,419 |
| Prepaid and deposits | | 1,292 | 6,506 |
| | | **201,049** | **200,929** |
| **Non-current** | | | |
| Mineral properties | 4 | 11,692,360 | 11,788,624 |
| Reclamation bond | | 30,000 | 30,000 |
| Equipment | 5 | 10,601 | 15,833 |
| | | **11,732,961** | **11,834,457** |
| **Total Assets** | | **$ 11,934,010** | **$ 12,035,386** |
| **Liabilities** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities | | $ 27,997 | $ 19,046 |
| **Non-current** | | | |
| Deferred income tax liability | | **1,156,400** | **1,156,400** |
| | | **1,184,397** | **1,175,446** |
| **Shareholders' Equity** | | | |
| Share capital | 6 | 17,159,773 | 17,159,773 |
| Share-based payments reserve | | 663,787 | 663,787 |
| Deficit | | (7,073,947) | (6,963,620) |
| **Total Shareholders' Equity** | | **10,749,613** | **10,859,940** |
| **Total Liabilities and Shareholders' Equity** | | **$ 11,934,010** | **$ 12,035,386** |

**Approved on behalf of the Board**

| | |
|---|---|
| *"Carl Pines"* | *"Neil F. Hummel"* |
| Carl Pines | Neil F. Hummel |
| Director | Director |

| | Share Capital | | Share-based | | Total |
|---|---|---|---|---|---|
| | Shares | Amount | Payments Reserve | Deficit | Equity |
| **Balance as at February 29, 2012** | **47,236,701** | **$ 17,159,773** | **$ 661,415** | **$ (6,780,430)** | **$ 11,040,758** |
| **Share consolidation 10:1** | **(42,513,031)** | **-** | **-** | **-** | **-** |
| Share-based payments | - | - | 2,372 | - | 2,372 |
| Loss for the period | - | - | - | (128,771) | (128,771) |
| **Balance as at November 30, 2012** | **4,723,670** | **17,159,773** | **663,787** | **(6,909,201)** | **10,914,359** |
| Loss for the period | - | - | - | (54,419) | (54,419) |
| **Balance as at February 28, 2013** | 4,723,670 | 17,159,773 | 663,787 | (6,963,620) | 10,859,940 |
| Share-based payments | - | - | - | - | - |
| Loss for the period | - | - | - | (110,327) | (110,327) |
| **Balance as at November 30, 2013** | **4,723,670** | **$ 17,159,773** | **$ 663,787** | **$ (7,073,947)** | **$ 10,749,613** |

Expressed in Canadian dollars, Unaudited

| Cash provided by (used for): | | November 30, 2013 | | November 30, 2012 |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Net loss for the period | $ | (110,327) | $ | (128,771) |
| **Items not involving cash:** | | | | |
| Depreciation | | 5,232 | | 5,040 |
| Share base payments | | - | | 2,372 |
| Deferred income tax expense | | - | | (12,008) |
| | | (105,095) | | (133,367) |
| **Changes in Non-Cash Working Capital** | | | | |
| Receivables | | 3,127 | | 9,319 |
| Prepaid and deposits | | 5,214 | | (671) |
| Accounts payable and accrued liabilities | | 8,951 | | (43,718) |
| | | 17,292 | | (35,070) |
| **Cash Used in Operating Activities** | | **(87,803)** | | **(168,437)** |
| **Investing Activities** | | | | |
| Mineral properties | | 96,264 | | (18,838) |
| **Cash Used in Investing Activities** | | **96,264** | | **(18,838)** |
| **(Decrease) Increase in Cash During the Period** | | **8,461** | | **(187,275)** |
| **Cash, Beginning of the Period** | | 185,004 | | 424,683 |
| **Cash, End of the Period** | $ | **193,465** | $ | **237,408** |

Supplemental cash flow information - Note 11

## 1. Nature and Continuance of Operations

ALQ Gold Corp. (Formerly Alpha Gold Corp.) (the "Company") was incorporated under the laws of British Columbia, Canada on February 25, 1985. The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Canada.

On August 19, 2013, the Company changed its name from Alpha Gold Corp. to ALQ Gold Corp. and effective market opening on the same day on the TSX venture Exchange, the Company's shares began trading under the name ALQ Gold Corp. ("ALQ").

Effective August 20, 2013, the Company completed a consolidation of its outstanding share capital on a basis of one post-consolidation share for every ten pre-consolidation shares, approved by the shareholders at the Company's Annual General and Special Meeting held on August 28, 2012.

The Company's corporate office and principal place of business is 410 Donald Street, Coquitlam, British Columbia, Canada.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2013, the Company had working capital of $173,052 (February 28, 2013 - $181,883). The Company incurred a net loss of $110,327 for the nine months ended November 30, 2013 (November 30, 2012 - $128,771) and had an accumulated deficit of $7,073,947 as at November 30, 2013 (November 30, 2012 - $6,963,620).

The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company will be required to issue share capital to finance its future activities through private placements and the exercise of options and warrants and is actively seeking additional equity financing. There can be no assurance that such financing will be available to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

These condensed interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

## 2. Basis of preparation

These condensed interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* on a historical cost basis using the accrual basis of accounting, except for cash flow information and financial instruments measured at fair value. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended February 28, 2013.

The same accounting policies are used in the preparation of these condensed interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards ("IFRS") of the results for the interim periods presented.

The Company's functional and presentation currency is the Canadian dollar.

Certain prior year's comparative figures have been reclassified to conform to the presentation adopted in the current year.

These condensed interim financial statements were authorized for issue by the Board of Directors on January 27, 2014.

## 3. Changes to accounting policies

The following accounting standards and amendments to existing standards were adopted effective March 1, 2013:

- IFRS 11 *Joint Arrangements;*
- IFRS 12 *Disclosure of Interests in Other Entities;*
- IFRS 13 *Fair Value Measurement*;
- IAS 27 *Separate Financial Statements;* and
- IAS 1 *Presentation of Financial Statements*.

The adoption of these standards has not had a significant impact on the Company's financial position or financial performance.

**The following standard has been issued by IASB but is not yet effective**:

IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition.

Expressed in Canadian dollars, Unaudited

## 3. Changes to accounting policies, continued

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the IAS 39 requirements, except that fair value changes due to credit risk for liabilities designated as fair value through profit or loss would generally be recorded in other comprehensive income.

IFRS 9 is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted.

## 4. Mineral Properties

| | **November 30, 2013** | **February 28, 2013** |
|---|---|---|
| Acquisition costs | $513,682 | $513,682 |
| Deferred expenditures | 11,178,678 | 11,274,942 |
| | $11,692,360 | $11,788,624 |

### a) Lustdust Claims

i) On July 15, 1989, the Company acquired a 100% interest in certain mineral claims located in the Omineca Mining Division, British Columbia for cash of $170,000. The vendor retains a 3% net smelter return royalty ("NSR").

ii) On February 21, 1992, the Company acquired a 100% interest in certain mineral claims located in the Omineca Mining Division, British Columbia for $100,000 cash and 200,000 shares of the company at a deemed consideration of $0.60 each (previously subject to a 5% net profit interest to a maximum of $100,000 and a 2% NSR). In July 2003, the company acquired the retained "5% net profit interest and the 2% NSR" for $150,000 cash.

iii) The Company's Lustdust Property is currently comprised of 20 "cell" claims, 100% owned by Alpha Gold Corp. Ownership is currently secured through 2021 and/or 2022. There is no requirement for NSR or Royalties on any of these claims.

The Company received a BC Mineral Exploration Tax credit refund in the amount of $99,064 during the quarter ended May 31, 2013.

Expressed in Canadian dollars, Unaudited

## 4. Mineral Properties, continued

| **Schedule** | | **November 30, 2013** |
|---|---|---|
| **Exploration** | | |
| Assaying | $ | - |
| Camp expenses | | 2,800 |
| Geological/geochemical work and reports | | - |
| Travel | | - |
| BC Mining tax credit | | **(99,064)** |
| Expenses Credits for the period | | **(96,264)** |
| Balance, as of February 28, 2013 | | **11,788,624** |
| Balance, as of November 30, 2013 | **$** | **11,692,360** |

## 5. Equipment

| | **Computer equipment** | **Furniture & fixtures** | **Machinery & equipment** | **Trucks** | **Total** |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance, February 29, 2012 | 8,878 | 17,282 | 23,742 | 54,939 | 104,841 |
| Additions/Disposals | - | - | - | - | - |
| Balance, February 28, 2013 | $8,878 | $17,282 | $23,742 | $54,939 | $104,841 |
| Additions/Disposals | - | - | - | - | - |
| Balance, May 31, 2013 | $8,878 | $17,282 | $23,742 | $54,939 | $104,841 |
| **Depreciation** | | | | | |
| Balance, February 29, 2012 | 7,568 | 16,627 | 14,301 | 43,726 | 82,222 |
| Depreciation for the year | 393 | 197 | 2,832 | 3,364 | 6,786 |
| Balance, February 28, 2013 | $7,961 | $16,824 | $17,133 | $47,090 | $89,008 |
| Depreciation for the period | 294 | 294 | 2124 | 2520 | 5232 |
| Balance, November 30, 2013 | $8,255 | $17,118 | $19,257 | $49,610 | $94,240 |
| **Carrying amount** | | | | | |
| As at February 29, 2012 | $1,310 | $655 | $9,441 | $11,213 | $22,619 |
| As at February 28, 2013 | $917 | $460 | $6,609 | $7,849 | $15,833 |
| As at November 30, 2013 | $623 | $164 | $4,485 | $5,329 | $10,601 |

Expressed in Canadian dollars, Unaudited

## 6. Share Capital

### a) Authorized

The August 2012 annual general meeting resulted in shareholder approval to increase the authorized capital of the Company from 100,000,000 Common Shares without par value to an unlimited number of Common Shares without par value.

### b) Share issuances

On August 19, 2013, Company completed a consolidation of its outstanding share capital on a basis of one post-consolidation share for every ten pre-consolidation shares. All comparative figures have been adjusted retrospectively.

There were no share issuances during the current period or during the year ended February 28, 2013 (refer Note 12).

### c) Stock options

The Company has established a fixed share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, consultants, or service providers to the Company. The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 944,734 Shares, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than the Plan, unless the Plan is amended pursuant to the requirements of the TSX Venture Policies at the award date. Options granted under the Plan may have a maximum term of ten years. The exercise price of an option may not be less than the closing price on the Exchange on the last trading day preceding the grant.

A summary of the Company's options outstanding at November 30, 2013 are as follows (subsequent to the 10:1 consolidation):

| Exercise Price | Expiry Date | | Balance February 28, 2013 | Cancelled or Expired | | Balance November 30, 2013 |
|---|---|---|---|---|---|---|
| $ 2.00 | July 20, 2014 | | 145,000 | 55,000 | | 90,000 |
| $ 1.00 | July 23, 2015 | | 175,000 | 100,000 | | 75,000 |
| $ 1.00 | May 30, 2016 | | 100,000 | 100,000 | | - |
| | | | 420,000 | 255,000 | | 165,000 |
| Weighted average exercise price | | $ | 1.35 | 1.22 | $ | 1.55 |
| Contractual life remaining in years | | | 2.25 | | | 1.09 |

Expressed in Canadian dollars, Unaudited

**6. Share Capital, continued**

**c) Stock options, continued**

A summary of the Company's options outstanding at November 30, 2012 are as follows (after adjusting for the 10:1 consolidation):

| Exercise Price | Expiry Date | | Balance February 29, 2012 | | Cancelled or Expired | Balance November 30, 2012 |
|---|---|---|---|---|---|---|
| $ 0.90 | June 7, 2012 | | 62,222 | | 62,222 | - |
| $ 2.00 | July 20, 2014 | | 145,000 | | | 145,000 |
| $ 1.00 | July 23, 2015 | | 175,000 | | | 175,000 |
| $ 1.00 | May 30, 2016 | | 100,000 | | | 100,000 |
| | | | 482,222 | | 62,222 | 420,000 |
| Weighted average exercise price | | $ | 1.29 | $ | 0.90 | 1.35 |
| Contractual life remaining in years | | | 2.87 | | | 2.50 |

**d) Share-based Payments**

During the period ended November 30, 2013, the Company did not grant any stock options to directors, officers, employees and consultants of the Company. All the options outstanding were fully vested. During the nine months ended November 30, 2013, 45,000 options expired due to resignation of directors and officers of the Company and 210,000 options were cancelled and returned to the option pool.

**7. Related Party Transactions**

During the nine months ended November 30, 2013, the Company paid $2,000 (November, 2012 - $Nil) for office rental to an officer and director of the Company.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee benefits or post-employment benefits and compensation awarded to key management during the periods ended November 30, 2013 and 2012 are as follows:

| | | November 30, 2013 | | 2012 |
|---|---|---|---|---|
| Short-term employee benefits | $ | 71,003 | $ | 68,235 |
| Share-based payments | | - | | 2,372 |
| Total | $ | 71,003 | $ | 70,607 |

Expressed in Canadian dollars, Unaudited

## 7. Related Party Transactions, continued

As of November 30, 2013 accounts payable included $5,000 (November 30, 2012 -$ Nil) payable to directors for director's fees and $13,126 (November 30, 2012 -$ Nil) payable to a director and an officer of the Company for consulting and management fees.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

## 8. Capital Management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital.

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

The property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended November 30, 2013. The Company is not subject to externally-imposed capital requirements.

## 9. Financial Instruments

### (a) Categories of Financial Instruments

The Company's financial instruments include cash and cash equivalents, reclamation bond, and accounts payable and accrued liabilities.

The Company has classified its financial instruments into the following categories:

| Financial Instrument | Category | Carrying Value |
|---|---|---|
| Cash and cash equivalents | FVTPL | Fair Value |
| Reclamation Bonds | Loans and Receivables | Amortized Cost |
| Accounts Payable and Accrued Liabilities | Other Financial Liabilities | Amortized Cost |

**9. Financial Instruments, continued**

**(b) Fair Value**

The carrying values of cash and cash equivalents and accounts payable and accrued liabilities estimate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and its carrying value approximates fair value.

**(c) Financial Risk Management**

The Company's risk exposure and the impact on its financial instruments are summarized as follows:

**(i) Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations and anticipated investing and financing activities and through management of its capital structure. Of the Company's financial liabilities, $7,871 have contractual maturities of less than 90 days (February 28, 2013 - $19,046).

As at November 30, 2013, the Company's unrestricted cash balance of $193,465 would not be sufficient to meet the cash requirements for the Company's administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

**(ii) Currency Risk**

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not use any hedges or other derivatives to mitigate the risk against foreign exchange fluctuations.

As at November 30, 2013, the Company had no amounts receivable or payable in foreign currencies and, accordingly, is not exposed to currency risk.

**(iii) Interest Rate Risk**

In respect of the Company's financial assets, interest rate risk mainly arises from the interest rate impact on cash and cash equivalents and reclamation bond. As at November 30, 2013, the Company's exposure is immaterial.

Expressed in Canadian dollars, Unaudited

## 9. Financial Instruments, continued

### (iv) Credit Risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash position, which is all held with Canadian financial institutions. The Company mitigates credit risk by risk management policies that require cash deposits or short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

### (v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

## 10. Segmented Information

The Company reports segmented information based on its operating and geographic segments. The Company's operations are primarily directed towards the acquisition, exploration, and ultimate development of gold and other precious metals with regard to mineral properties held in British Columbia, Canada.

## 11. Supplemental Cash Flow Information

| | Nine Months Ended November 30, 2013 | 2012 |
|---|---|---|
| Cash comprised of: | | |
| Cash | $ 8,070 | $ 54,083 |
| GIC | 185,395 | 183,325 |
| Total Cash | $ 193,465 | $ 237,408 |
| Cash Items | | |
| Income tax paid | $ - | $ - |
| Interest received | 843 | 1,085 |
| Interest paid | - | - |

## 12. Events after the Reporting Period

On January 13, 2014, the Company announced the completion of the flow-through private placement of 795,000 flow-through units at $0.06 per unit for gross proceeds of $47,700. Each flow-through unit consist of one flow-through common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional non-flow-through common share at a price of $0.06 per share for a period of 24 months.