Nevado Resources Corporation

Unaudited Condensed Interim Financial Statements
("Financial Statements")
As at September 30, 2013
(expressed in Canadian dollars)

The attached financial statements have been prepared by Management of Nevado Resources Corporation and have not been reviewed by the auditor

Nevado Resources Corporation

Interim Statements of Financial Position
(Unaudited)

(expressed in Canadian dollars)

	Note	As at September 30, 2013 $	As at December 31, 2012 $
Assets			
Current assets			
Cash and cash equivalents		432,093	1,640,496
Sales taxes and other		35,128	209,481
Tax credits receivable		-	127,104
		467,221	1,977,081
Non-current assets			
Tax credits receivable		120,739	159,907
Property, plant and equipment		6,389	7,532
Mining properties		228,281	228,281
Deferred exploration and evaluation expenditures	5	7, 148,807	7,153,624
		7, 504,216	7,549,344
Total assets		7, 971,437	9,526,425
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		204,021	973,688
Long-term debt due within one year	6	84,000	-
		288,021	973,688
Non-current liabilities			
Long-term debt	6	83,875	-
Deferred income tax		274,360	393,893
		358,235	393,893
Total liabilities		646,256	1,367,581
Equity			
Share capital		10,381,168	10,381,168
Contributed surplus		3,397,590	3,385,469
Deficit		(6,453,577)	(5,607,793)
Total equity		7,325,181	8,158,844
Total liabilities and equity		7,971,437	9,526,425
Going concern	1		

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

Nevado Resources Corporation

Interim Statements of Comprehensive Loss

(Unaudited)

For the three and nine-month periods ended September 30, 2013 and 2012

(expressed in Canadian dollars, except number of shares)

	Note	Three-month period ended Sept. 30, 2013 $	Three-month period ended Sept. 30, 2012 $	Nine-month period ended Sept. 30, 2013 $	Nine-month period ended Sept. 30, 2012 $
Expenses					
Professional and consulting fees		82,051	101,778	770,124	424,983
Share-based payments	7	68,880	-	68,880	114,934
Insurance		-	-	19,189	15,905
Part XII.6 tax		-	1,650	-	5,370
Regulatory fees		3,242	6,018	10,606	16,851
Investor relations		8,061	42,385	54,397	147,960
Travel and lodging		21,637	16,739	71,174	59,335
Rent		4,659	4,243	13,515	15,034
Office		6,958	4,343	18,807	26,972
Salaries and fringe benefits		-	47,472	-	49,799
Depreciation		381	381	1,143	1,143
		195,951	225,009	1,027,835	878,286
Operating loss		(195,951)	(225,009)	(1,027,835)	(878,286)
Interest income		319	2,432	5,759	9,029
Loss before income tax		(195,632)	(222,577)	(1,022,076)	(869,257)
Deferred income tax recovery		29,305	37,359	176,292	155,008
Net loss and comprehensive loss for the period		(166,327)	(185,218)	(845,784)	(714,249)
Basic and diluted net loss per share		(0.004)	(0.004)	(0.017)	(0.015)
Weighted average number of shares outstanding					
Basic and diluted		47,447,963	47,322,963	47,447,963	47,322,963

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

Nevado Resources Corporation

Interim Statements of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2013 and 2012

(expressed in Canadian dollars, except number of shares)

	Note	Number of common shares	Share capital $	Contributed surplus $	Deficit $	Total equity $
Balance – January 1, 2013		47,447,963	10,381,168	3,385,469	(5,607,793)	8,158,844
Net loss and comprehensive loss for the period		-	-	-	(845,784)	(845,784)
Tax effect on expired warrants		-	-	(56,759)	-	(56,759)
Shared-based payments	7			68,880	-	68,880
Balance – September 30, 2013		47,447,963	10,381,168	3,397,590	(6,453,577)	7,325,181
Balance – January 1, 2012		47,322,963	10,352,893	3,381,928	(2,882,757)	10,852,064
Net loss and comprehensive loss for the period		-	-	-	(714,249)	(714,249)
Share-based payments	7	-	-	114,934	-	114,934
Balance – September 30, 2012		47,322,963	10,352,893	3,496,862	(3,597,007)	10,252,748

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

Nevado Resources Corporation

Interim Statements of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2013 and 2012

(expressed in Canadian dollars)

	2013 $	2012 $
Cash flows from		
Operating activities		
Net loss for the period	(845,784)	(714,249)
Adjusted for		
Depreciation of property, plant and equipment	1,143	1,143
Share-based payments	68,880	114,934
Deferred income tax	(176,292)	(155,008)
Changes in non-cash operating working capital items		
Sales taxes and other	174,353	395,549
Accounts payable and accrued liabilities	(27,555)	80,602
Net cash used in operating activities	(805,255)	(277,029)
Investing activities		
Acquisition of property, plant and equipment	-	(2,297)
Deferred exploration and evaluation expenditures	(614,128)	(980,795)
Tax credits received	127,105	-
Net cash used in investing activities	(487,023)	(983,092)
Financing activities		
Long-term debt	83,875	-
Net cash provided by financing activities	83,875	-
Net change in cash and cash equivalents during the period	(1,208,403)	(1,260,121)
Cash and cash equivalents – Beginning of period	1,640,496	1,867,610
Cash and cash equivalents – End of period	432,093	607,489
Components of cash and cash equivalents		
Cash	101,208	209,122
Cash equivalents	330,885	398,367
	432,093	607,489
Supplemental information		
Deferred exploration and evaluation expenditures included in accounts payable and accrued liabilities	195,118	371,219

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

(expressed in Canadian dollars)

1 Nature of operations and going concern

Nevado Resources Corporation (the "Corporation") was incorporated on June 9, 2006 under the Canada Business Corporations Act and is listed on the Toronto Venture Stock Exchange ("TSX Venture Exchange"). The address of the Corporation's headquarters and registered office is 777 De La Commune Street West, Suite 100, Montreal, Québec. The Corporation, an exploration and evaluation stage corporation is in the business of acquiring, exploring, evaluating and developing mining properties. It has interests in properties at the exploration and evaluation stage located in Quebec and has not yet determined whether they contain mineral deposits that are economically recoverable.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as mining properties. The recoverability of deferred exploration and evaluation expenditures and mining properties is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; and the ability to obtain the financing required to complete exploration, evaluation, development and construction or the proceeds from the sale of such assets. Changes in future conditions could require material impairment of the carrying value of the mining properties.

The accompanying unaudited condensed interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt on the Corporation's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

The Corporation recorded a net loss of $845,784 for the nine-month period ended September 30, 2013, and has an accumulated deficit of $6,453,577 as at September 30, 2013. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs and pay general and administrative costs. As at September 30, 2013, the Corporation had a working capital of $179,200. Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through September 30, 2014. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation.

If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these unaudited condensed interim financial statements.

(expressed in Canadian dollars)

The Corporation's financial year ends on December 31. These unaudited condensed interim financial statements were authorized by the Board of Directors for publication on November 25, 2013.

2 Basis of preparation of financial statement

These unaudited condensed interim 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. The financial statements should be read in conjunction with the Corporation's audited annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of the previous financial year, except as described below.

Changes in accounting policies

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with applicable transitional provisions.

The Corporation adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 didn't require any adjustment to the valuation techniques used by the Corporation to measure fair value and didn't result in any measurement adjustment as at January 1, 2013.

The Corporation has adopted the amendments to IFRS 12 effective January 1, 2013. These amendments forward existing disclosures and also introduce significant additional disclosure that address the nature of, and risks associated with, an entity's interest in other entities. These changes didn't result in additional disclosure as the Corporation doesn't have an interest in other entities.

3 Critical accounting estimates, judgments and assumptions

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continually evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include the following.

Impairment of non-financial assets

The Corporation's evaluation of the recoverable amount with respect to non-financial assets is based on numerous assumptions and may differ significantly from actual values. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Corporation's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The Corporation's fair value estimates are based on numerous assumptions. The recoverable amount estimates may

(expressed in Canadian dollars)

differ from actual values, and these differences may be significant and could have a material impact on the Corporation's financial position and results of operations. Assets are reviewed for an indication of impairment at each statement of financial position date and when there are indicators of impairment. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or said right will expire in the near future and is not expected to be renewed; substantive E&E expenditures in a specific area are neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale, significant negative industry or economic trends and a significant drop in commodity prices.

4 Financial Instrument – Fair Value

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities: – none;
- Level two includes inputs that are observable other than quoted prices include in level one: – none;
- Level three includes inputs that are based on observable market data: – none.

Fair value estimates are made as at the date of the statement of financial position, based on relevant market information and other information about financial instruments.

The Company's financial instruments as at September 30, 2013, consist of cash, accounts payable and accrued charges. The fair value of these financial instruments is disclosed below, and approximates their carrying value due to their short maturity and current market rates.

	September 30, 2013		December 31, 2012	
Financial assets	**Carrying amount $**	**Fair value $**	**Carrying amount $**	**Fair value $**
Cash and cash equivalents	432,093	432,093	1,640,496	1,640,496
Financial liabilities				
Accounts payable and accrued liabilities	204,021	204,021	973,688	973,688
Long term debt	167,875	167,875	-	-

(expressed in Canadian dollars)

5 Deferred exploration and evaluation expenditures

	Nine-month period ended September 30, 2013			
Properties	**Balance as at December 31, 2012 $**	**Additions $**	**Tax credits receivable $**	**Balance as at September 30, 2013 $**
La Blache No. 1	5,685,590	(17,139)	(3,955)	5,664,496
La Blache No. 2	5,425	-	-	5,425
Fermont	1,462,609	(22,891)	39,168	1,478,886
	7,153,624	(40,730)	35,213	7,148,807

6 Long term debt

On September 16, 2013, the Corporation borrowed $174,875 from Neomet Technologies Inc. The note payable is unsecured and bears interest at a rate of 9% payable by 24 equal payments of $7,000 each, beginning on October 1st, 2013, and an additional final payment on capital and interest due and payable as at the 25th payment on October 16, 2015.

7 Stock option plan

On September 12, 2013, the Corporation granted a total of 800,000 stock options to officers and directors which are exercisable at $0.10 per share and 600,000 options granted to consultants exercisable at $0.10. These options vested at the grant date and will expire on the fifth anniversary of their date of issuance. The fair value of options awarded is $0.049 per option for a total share-based payment expense of $68,880.

The fair value of options at the date of grant was calculated based on the Black-Scholes option pricing model, using the following weighted average assumptions:

	2013	**2012**
Expected life	5 years	5 years
Risk-free interest rate	2.13%	1.50%
Expected volatility	100%	100%
Expected dividend yield	Nil	Nil
Expected forfeiture rate	Nil	Nil
Fair value	$0.049	$0.13 and $0.14

8 Subsequent Event

On November 5, 2013, the Corporation granted 100,000 options to a consultant which are exercisable at $0.10 per share. These options vested at the grant date and will expire on the fifth anniversary of their date of issuance.

(expressed in Canadian dollars)

On November 14, 2013, the Corporation signed a letter of agreement with Kunming Metallurgical Research Institute ("Kunming China") of China Yunnan Metallurgical Group Co., Ltd, pursuant to which the Corporation requests a program to demonstrate the mineral processing strategy to separate, concentrate, and recover titanium (Ti), vanadium (V), and iron (Fe) bearing minerals from the Corporation's La Blache deposit.

Upon signing of this agreement, the Corporation will pay Kunming China an amount of $20,000 in order to begin the Bench-Scale Mineral Processing Study. Ten days following the delivery of the Pilot Plant Test Report, the Corporation will pay to Kunming China an amount of $250,000 through the issuance of a number of class "A" common shares of its capital stock.