Academy Explorations Limited

Audited Financial Statements
For the year ended April 30, 2014

Management's Responsibility for Financial Reporting

The condensed financial statements are the responsibility of the management of Academy Explorations Limited and have been prepared in accordance with International Financial Reporting Standards.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements and other financial information presented elsewhere in this annual report.

To discharge its responsibilities for financial reporting and safeguarding of assets, management depends on the Company's systems of internal accounting control. These systems are designed to provide reasonable cost effective assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and for review and approving the financial statements. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board.

The Audit Committee meets periodically with management and the auditors to satisfy itself that each is properly discharging its responsibilities, to review significant accounting and reporting matters and to review the financial statements. The Audit Committee reports its findings and recommends the approval of the financial statements to the Board.

The financial statements have been audited on behalf of the shareholders by the independent auditor, ND LLP, in accordance with Canadian generally accepting auditing standards.

Paul Appleby
Chief Financial Officer and Secretary
Academy Explorations Limited
February 5th, 2015

Independent Auditor's Report
To the Shareholders of Academy Explorations Limited

ND LLP

We have audited the accompanying condensed financial statements of Academy Explorations Limited, which comprise of the condensed statement of operations and net loss, the condensed statement of financial position as of April 30, 2014, the condensed statements of changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters
The condensed financial statements of Academy Explorations Limited for the period ended April 30, 2013 were audited by another auditor who issued an unqualified opinion on July 26, 2013. We have not audited those statements and prior year figures are shown for comparative purposes only.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Academy Explorations Limited as at April 30, 2014 and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

ND LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 5, 2015

Academy Explorations Limited

Audited

Condensed Statement of Financial Position

	April 30 2014	April 30 2013
Assets		
Current		
Cash and short-term investments (Notes 2 and 4)	$ 379,093	$ 427,118
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 9,867	$ 7,153
Capital Deficiency		
Capital stock (Note 5)	1,165,711	1,165,711
Deficit	(796,485)	(745,746)
	369,226	419,965
	$ 379,093	$ 427,118

APPROVED ON BEHALF OF THE BOARD

Rae Appleby, Director

Paul Appleby, Director

Academy Explorations Limited

Audited

Condensed Statements of Comprehensive Loss
For the year ended April 30, 2014

	2014	2013
Results from operating activities:		
Revenue	$ -	$ -
Managing directors salary	24,000	24,032
Directors fees	1,500	1,500
Legal and audit	8,118	3,856
Shareholders' information and transfer agents' fees	19,344	21,131
Miscellaneous	593	552
	53,555	51,071
Finance income and costs:		
Gain on sale of short-term investments	-	37,060
Interest income	2,816	393
	2,816	37,453
Net loss	(50,739)	(13,618)
Other comprehensive income (loss)	-	-
Total comprehensive loss	$ (50,739)	$ (13,618)
Net loss per share - basic and diluted	$ (0.03)	$ (0.01)
Weighted average number of shares outstanding	1,567,234	1,567,234

Academy Explorations Limited

Audited

Condensed Statement of Changes in Equity

	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at May 1, 2012	$ 1,165,711	$ -	$ (732,128)	$ -	$ 433,583
Total comprehensive income income (loss) for the period					
Loss for the period			(13,618)		(13,618)
Balance at April 30, 2013	1,165,711	-	(745,746)	-	419,965
Balance at April 30, 2013	1,165,711	-	(745,746)	-	419,965
Total comprehensive income income (loss) for the period					
Loss for the period			(50,739)		(50,739)
Balance at April 30, 2014	$ 1,165,711	$ -	$ (796,485)	$ -	$ 369,226

Academy Explorations Limited

Audited

Condensed Statements of Cash Flows
For the years ended April 30, 2014

	2014	2013
Cash provided by (used in) operating activites:		
Net loss	$ (50,739)	$ (13,618)
Net change in non-cash working capital	2,714	1,136
	(48,025)	(12,482)
Net change in cash	(48,025)	(12,482)
Cash balance, beginning of period	427,118	439,600
Cash balance, end of period	$ 379,093	$ 427,118

1. GENERAL

Statement of Compliance:
These condensed financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The Company's condensed financial statements were prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP) until April 30, 2011. Canadian GAAP differs from IFRS in some areas and accordingly, the significant accounting policies applied in the preparation of these condensed financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption.

Significant accounting judgments, and estimates
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions and to use judgment that affects the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, actual results may differ from those estimated amounts and differences may be material.

In particular, significant areas of estimation uncertainty considered by management in preparing the financial statements are described in the following notes:

- Stock-based compensation
- Warrants
- Deferred income tax
- Commitments and contractual obligations

Going Concern:
The ability of the Company to continue as a going concern and realize the carrying value of its assets is dependent upon its ability to achieve sales levels adequate to supporting the Company's cost structure and success of its investments. It is not possible at this time to predict with assurance the outcome of these investments.

2. Significant accounting policies

Cash and Cash Equivalents
Cash and cash equivalents include cash on account and demand deposits.

Foreign Currency Translation
The Company translates its foreign denominated monetary assets and liabilities at the exchange rate prevailing at year-end. Non-monetary assets and liabilities are translated at historic rates. Revenues and expenses are translated at the rate of exchange in effect at the time of the transaction. Exchange gains or losses are included in operations.

2. Significant accounting policies (continued)

Loss Per Share
Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and potential common shares outstanding during the year. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options using the treasury stock method.

Measurement Uncertainty
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results would differ from those estimates.

Stock Based Compensation
The Company accounts for its stock option plan using the fair value method. The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes option pricing model and expensed over the service period which equals the vesting period. The stock option expense for the year ended April 30, 2014 was $NIL (2013 -$NIL).

Future Income Taxes
The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, future income taxes are recognized for temporary differences between the tax and financial statement bases of assets and liabilities and for certain carry forward items. Future income tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

Investments
Investments are stated at cost less any provision for any other than temporary decline in market value.

3. CHANGES IN ACCOUNTING POLICY

(a) Financial Instruments

Effective January 1, 2006, the Company adopted the new recommendations of The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1530, Comprehensive Income; Section 3251, Equity; Section 3855, Financial Instruments - Recognition and Measurement; and Section 3865, Hedges, retroactively without restatement. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook Sections had no impact on opening deficit.

Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

Upon adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and debenture, are classified as other financial liabilities. The Company had neither available-for-sale, nor held-to-maturity instruments during the year ended April 30, 2014.

The Company had no “other comprehensive income or loss” transactions during the year ended April 30, 2014 and no opening or closing balances for accumulated other comprehensive income or loss.

The Company reviewed significant contracts entered into on or after January 1, 2003 and determined that there were no significant embedded derivatives or non-financial derivatives that require separate fair value recognition on the balance sheet.

(b) Non-monetary Transactions

Effective January 1, 2006, the Company adopted the new recommendations of The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3831, Non-monetary Transactions prospectively. This standard requires all non-monetary transaction be measured at their fair value unless they meet one of the four criteria. Commercial substance replaces culmination of the earnings process as the test for fair value measurement. A transaction has commercial substance if it causes an identifiable and measurable change in the economic circumstances of the entity. The adoption of this standard had no impact on the Company’s financial statements.

4. INVESTMENTS

The Company holds various short-term investments along with a cash balance in its brokerage account. As at April 30, 2014, the balances are as follows:

	Book Value	Market Value
Cash	$ 1,653	$ 1,653
Sprott Small Cap Hedge Fund	179,657	234,932
Bank of Nova Scotia Investment Savings Account	197,783	197,823
	$ 379,093	$ 434,408

5. CAPITAL STOCK

The Company is authorized to issue an unlimited number of special shares and an unlimited number of common shares. Common shares issued and fully paid are as follows:

	Number of shares	Amount
Issued common shares for cash	867,234	$ 790,711
Issued common shares for mining claims	700,000	375,000
Balance as at April 30, 2014	1,567,234	$ 1,165,711

Stock options:
As at April 30, 2014 the Company had no issued or outstanding stock options.

6. INCOME TAXES

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. Management considers projected future taxable income uncertainties related to the industry in which the Company operates and tax planning strategies in making this assessment. The income tax benefit in the statements of operations and comprehensive income differs from the amount that would be computed by applying the federal and provincial statutory income tax rate of 36% for the years ended April 30, 2014 and 2013 to loss for the year.

	2014	2013
Income tax recovery based on statutory rate	$ (149,368)	$ (143,877)
Unrecorded tax benefit of losses	149,368	143,877
	$ -	$ -

7. INCOME TAXES (continued)

At April 30, 2014, the Company has approximately $376,929 of non-capital losses available for carry-forward to reduce future years' income for Canadian income tax purposes. The losses have not been recorded and will expire as follows:

2015	28,772
2026	43,168
2027	39,616
2028	34,084
2029	42,857
2030	45,852
2031	29,014
2032	49,209
2033	13,618
2034	50,739
	$376,929