Academy Explorations Limited

Audited Financial Statements
For the years ended April 30, 2014 and 2013

Management's Responsibility for Financial Reporting

The 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
June 8, 2015

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

We have audited the accompanying financial statements of Academy Explorations Limited, which comprise the balance sheets as at April 30, 2014 and 2013 and the statements of operations, changes in net assets 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 judgement, 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 evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation 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.

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 flows for the year then ended in accordance with International Financial Reporting Standards.

Restatement of Financial Statements
Without modifying our opinion, we draw attention to Note 2 to the financial statements as at April 30, 2014 and for the year then ended which indicates that these financial statements have been restated from those on which we originally reported on February 5, 2015 and more extensively describes the reasons for the restatements.

Comparative Information
Without modifying our opinion, we draw attention to Note 2 to the financial statements which indicates that the comparative information presented as at and for the year ended April 30, 2013, has been corrected.

The financial statements of Academy Explorations Ltd. as at and for the year ended April 30, 2013, excluding the correction described in Note 2 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on July 26, 2013.

As part of our audit of the financial statements as at and for the year ended April 30, 2014, we audited the correction described in Note 2 to the financial statements that was applied to correct the comparative information presented as at and for the year ended April 30, 2013. In our opinion, the correction is appropriate and has been properly applied.

We were not engaged to audit, review, or apply any procedures to the April 30, 2013, financial statements, other than with respect to the correction described in Note 2 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

Other Matters
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The 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.

ND LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 8, 2015

Academy Explorations Limited

Audited

Statement of Financial Position

	April 30 2014	April 30 2013
Assets		
Current		
Cash and short-term investments (Notes 3 and 4)	$ 434,408	$ 437,823
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 9,867	$ 7,153
Capital Deficiency		
Capital stock (Note 5)	1,165,711	1,165,711
Retained earnings (Deficit)	(741,170)	(735,041)
	424,541	430,670
	$ 434,408	$ 437,823

APPROVED ON BEHALF OF THE BOARD ON JUNE 8, 2015

Rae Appleby, Director

Paul Appleby, Director

Academy Explorations Limited

Audited

Statements of Comprehensive Loss
For the years ended April 30, 2014 and 2013

	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:		
Unrealized gain (loss) on short-term investments	44,610	10,705
Gain on sale of short-term investments	-	37,060
Interest income	2,816	393
	47,426	48,158
Net income (loss)	(6,129)	(2,913)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	$ (6,129)	$ (2,913)
Net income (loss) per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	1,567,234	1,567,234

Academy Explorations Limited

Audited

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			(2,913)		(2,913)
Balance at April 30, 2013	1,165,711	-	(735,041)	-	430,670
Balance at April 30, 2013	1,165,711	-	(735,041)	-	430,670
Total comprehensive income income (loss) for the period					
Income for the period			(6,129)		(6,129)
Balance at April 30, 2014	$ 1,165,711	$ -	$ (741,170)	$ -	$ 424,541

Academy Explorations Limited

Audited

Statements of Cash Flows
For the years ended April 30, 2014 and 2013

	2014	2013
Cash provided by (used in) operating activites:		
Net loss	$ (6,129)	$ (2,913)
Addback non-cash items:		
Unrealized gain loss on short-term investments	44,610	10,705
Net change in non-cash working capital	2,714	1,136
Net change in fair market value of financial assets at fair value through profit or loss	(44,610)	(10,705)
	(3,415)	(1,777)
Net change in cash	(3,415)	(1,777)
Cash balance, beginning of period	437,823	439,600
Cash balance, end of period	$ 434,408	$ 437,823

1. General

Nature of operations

The Company was incorporated under the Business Corporations Act (Ontario) on July 20, 1970. The Company is a junior natural resource company and has adopted a strategy to stay liquid while searching for an appropriate opportunity with a private corporation that is looking to expand its operations by acquiring control of, or investment capital from, a publicly owned company such as Academy Explorations Limited.

The head office of the Company is located at 557 Melita Crescent, Toronto, Ontario M6G 3Y7.

Key Management Personnel

Mrs. Rae Appleby is the President of Academy Explorations Limited and Mr. Paul Appleby is the appointed Chief Financial Officer.

Statement of Compliance:

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) with include International Accounting Standards and Interpretations ("IFRIC" and "SIC") adopted by the International Accounting Standards Board.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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.

1. General (Continued...)

Given that the Company has yet to achieve sales levels adequate to support the Company's cost structure, and has not generated any income nor cash flows from operations, there is significant doubt regarding the Company's ability to continue as a going concern.

2. Restatement of previously issued financial statements

Academy Explorations Limited has restated its Statement of Financial Position as of April 30, 2014 and 2013 and its Statement of Comprehensive Loss, Statement of Changes in Equity and Statement of Cash Flows for the years then ended.

During the first quarter of 2015, information drawing into question the appropriateness of certain of the Company's accounting practices came to the attention of senior management of the Company. The information identified accounting practices that, among other things, the investments held should be classified as financial assets at fair value through profit or loss and as a result should be adjusted to fair market value as of the reporting year ends.

The impact on the Statement of Comprehensive loss was a decrease in loss of $44,610 for the year ended April 30, 2014 ($10,705 for year ended April 30, 2013). In addition, this resulted in a corresponding increase in value of Cash and short-term investments on the Statement of Financial Position as at April 30, 2014 and 2013.

As a result, financial statement notes 3, 4, 6 and 7 have been restated to reflect amendments arising as a result of the adjustments described above.

Effect on Statement of Financial Position

	April 30, 2014			April 30, 2013		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Assets						
Current						
Cash and short-term investments	$ 379,093	55,315	$ 434,408	$ 427,118	10,705	$ 437,823
Liabilities						
Current						
Accounts payable and accrued liabilities	$ 9,867		$ 9,867	$ 7,153		$ 7,153
Capital Deficiency						
Capital stock	1,165,711		1,165,711	1,165,711		1,165,711
Retained earnings (Deficit)	(796,485)	55,315	(741,170)	(745,746)	10,705	(735,041)
	369,226		424,541	419,965		430,670
	$ 379,093		$ 434,408	$ 427,118		$ 437,823

2. Restatement of previously issued financial statements (continued…)

Effect on Statement of Comprehensive Loss

	April 30, 2014			April 30, 2013		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Results from operating activities:						
Revenue	$ -		$ -	$ -		$ -
Managing directors salary	24,000		24,000	24,032		24,032
Directors fees	1,500		1,500	1,500		1,500
Legal and audit	8,118		8,118	3,856		3,856
Shareholders' information and transfer agent	19,344		19,344	21,131		21,131
Miscellaneous	593		593	552		552
	53,555		53,555	51,071		51,071
Finance income and costs:						
Unrealized gain (loss) on short-term investm	-	44,610	44,610	-	10,705	10,705
Gain on sale of short-term investments	-		-	37,060		37,060
Interest income	2,816		2,816	393		393
	2,816		47,426	37,453		48,158
Net income (loss)	(50,739)	44,610	(6,129)	(13,618)	10,705	(2,913)
Other comprehensive income (loss)	-		-	-		-
Total comprehensive income (loss)	$ (50,739)	44,610	$ (6,129)	$ (13,618)	10,705	$ (2,913)
Net income (loss) per share - basic and diluted	$ (0.03)	$ 0.03	$ (0.00)	$ (0.01)		$ (0.00)
Weighted average number of shares outstanding	1,567,234		1,567,234	1,567,234		1,567,234

2. Restatement of previously issued financial statements (continued…)

Effect on Statement of Change in Equity

	April 30, 2014			April 30, 2013		
	As Reported Deficit	Adjustment Deficit	As Restated Deficit	As Reported Deficit	Adjustment Deficit	As Restated Deficit
Balance at the beginning of year	$ 419,965	10,705	$ 430,670	$ 433,583		$ 433,583
Loss for the period	(50,739)	44,610	(6,129)	(13,618)	10,705	(2,913)
Balance at the end of year	369,226	55,315	424,541	419,965	10,705	430,670

Effect on Statement of Cash Flows

	April 30, 2014			April 30, 2013		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Cash provided by (used in) operating activites:						
Net loss	$ (50,739)	44,610	$ (6,129)	$ (13,618)	10,705	$ (2,913)
Addback non-cash items:						
Unrealized gain loss on short-term investments	-	44,610	44,610	-	10,705	10,705
Net change in non-cash working capital	2,714		2,714	1,136		1,136
Net change in fair market value of financial assets at fair value through profit or loss	-	(44,610)	(44,610)	-	(10,705)	(10,705)
	(48,025)		(3,415)	(12,482)		(1,777)
Net change in cash	(48,025)		(3,415)	(12,482)		(1,777)
Cash balance, beginning of period	427,118	10,705	437,823	439,600		439,600
Cash balance, end of period	$ 379,093		$ 434,408	$ 427,118		$ 437,823

3. Significant accounting policies

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

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.

Deferred Income Taxes
The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred 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, deferred income taxes are recognized for temporary differences between the tax and financial statement bases of assets and liabilities and for certain carry forward items. Deferred income tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the deferred income tax assets will be realized. The effect on deferred 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.

Financial Instruments

Financial assets
Financial assets are classified into the following category:

Financial assets at fair value through profit or loss ("FVTPL")
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss. The Company classified its cash and cash equivalents as FVTPL

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For all financial assets objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or
b) default or delinquency in interest or principal payments; or
c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Financial Instruments (continued…)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Application of new and amended accounting standards

As of October 1, 2013, 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.

IFRS 7 Financial instruments: disclosures and IAS 32 Financial instruments: presentation
Financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCE's) using proportionate consolidation. Instead, JCE's that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 13 Fair Value Measurement
IFRS 13 is a comprehensive standard for all fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes additional disclosures regarding fair value measurements.

New accounting pronouncements to be adopted
IAS 24 Related party disclosures
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

New accounting pronouncements to be adopted (continued…)

IAS 36 Impairment of assets
The amendments to IAS 36, issued in May 2013, require: Disclosure of the recoverable amount of impaired assets; and Additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014.

IFRIC 21 Levies
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.

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

As at April 30, 2013, the balances were as follows:

	Book Value	Market Value
Cash	$ 17,090	$ 17,090
Sprott Small Cap Hedge Fund	179,657	190,316
Bank of Nova Scotia Investment Savings Account	230,371	230,417
	$ 427,118	$ 437,823

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 as of April 30, 2014 and 2013	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 deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred 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
	$ -	$ -

At April 30, 2014, the Company has approximately $373,079 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	46,889
	$373,079