Great Thunder Gold Corp.
(An exploration stage company)
Consolidated Financial Statements

April 30, 2014 and 2013

Contents

WOLRIGE MAHON
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Great Thunder Gold Corp.

We have audited the accompanying consolidated financial statements of Great Thunder Gold Corp. and its subsidiary, which comprise the consolidated statement of financial position as at April 30, 2014, and the consolidated statement of operations and comprehensive loss, statement of equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Great Thunder Gold Corp. and its subsidiary as at April 30, 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which indicates that Great Thunder Gold Corp. has incurred losses since inception and has not yet developed self-sustaining operations. These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about Great Thunder Gold Corp.'s ability to continue as a going concern.

Other Matter

The consolidated financial statements of Great Thunder Gold Corp. and its subsidiary for the year ended April 30, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on August 22, 2013.

"Wolrige Mahon LLP"

CHARTERED ACCOUNTANTS

August 27, 2014
Vancouver, B.C.

Great Thunder Gold Corp.

(An exploration stage company)

Consolidated Statements of Financial Position

	April 30, 2014	April 30, 2013
ASSETS		
Current assets		
Cash	$ 71,541	$ 53,995
Accounts receivable	2,818	11,925
Due from related parties (note 9)	9,151	-
Mining tax credit receivable	-	11,319
Reclamation bond (note 6)	-	10,075
Prepaid expenses	8,383	7,515
	91,893	94,829
Non-current assets		
Investments (note 5)	3,752	13,352
Reclamation bonds (note 6)	13,000	13,000
Exploration and evaluation assets (note 7)	1,339,017	1,338,429
	$ 1,447,662	$ 1,459,610
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 15,800	$ 32,680
Due to related parties (note 9)	20,021	34,858
Flow-through share premium (note 8)	7,538	-
Site restoration obligation (note 6)	15,000	15,000
	58,359	82,538
SHAREHOLDERS' EQUITY		
Share capital (note 8)	12,640,340	12,296,782
Share-based payment reserve	122,414	201,530
Accumulated other comprehensive loss	(52)	(103,320)
Deficit	(11,373,399)	(11,017,920)
	1,389,303	1,377,072
	$ 1,447,662	$ 1,459,610

Nature of Operations and Going Concern (note 1)
Commitments (note 15)
Subsequent Events (note 16)

Approved on behalf of the Board of Directors

/s/ Kevin C. Whelan *\/s/ John Moraal*

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Consolidated Statements of Operations and Comprehensive Loss

	Years ended April 30 2014	2013
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	$ 14,700	$ 18,300
Bad debts	750	-
Consulting	37,500	77,070
Depreciation	-	308
Foreign exchange	269	430
General exploration expenditures	-	16,218
Insurance	4,644	-
Investor relations and shareholder information	5,331	21,869
Legal fees	3,930	10,214
Listing and filing fees	7,484	10,771
Management fees (note 9)	156,030	98,000
Office and administrative services and supplies (note 9)	11,602	104,930
Rent	12,579	-
Transfer agency fees	13,976	13,417
Travel and accommodation	7,219	11,439
Write-down and write-off of exploration and evaluation assets	11,121	295,959
	287,135	678,925
OPERATING LOSS	(287,135)	(678,925)
OTHER INCOME		
Gain on disposition of exploration and evaluation assets (note 7)	19,499	-
Realized loss on investments (note 5)	(110,343)	(42,646)
Gain on write-off of accounts payable	-	7,500
Write-off of property and equipment	-	(1,061)
Interest income	132	594
LOSS FOR THE YEAR	(377,847)	(714,538)
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain on investments (note 5)	96,800	32,750
Unrealized currency translation gain	6,468	6,630
TOTAL COMPREHENSIVE LOSS	$ (274,579)	$ (675,158)
LOSS PER SHARE (basic and diluted)	$ (0.03)	$ (0.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	11,543,998	7,482,162

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Consolidated Statements of Equity

				Accumulated Other Comprehensive Loss				
	Number of Common Shares	Share Capital	Share-Based Payment Reserve	Currency Translation Account	Unrealized Gains (Losses) on Available-for-Sale Financial Assets	Total Accumulated Other Comprehensive Loss	Deficit	Total
Balances, April 30, 2012	**7,482,180**	**$12,207,999**	**$ 342,815**	**$(16,000)**	**$(126,700)**	**$(142,700)**	**$(10,355,884)**	**$ 2,052,230**
Rounding upon 1:3 share consolidation	(18)	-	-	-	-	-	-	-
Transfer upon expiration of options and warrants	-	88,783	(141,285)	-	-	-	52,502	-
Loss for the year	-	-	-	-	-	-	(714,538)	(714,538)
Other comprehensive income								
Unrealized gain on investments (note 5)	-	-	-	-	32,750	32,750	-	32,750
Unrealized currency translation gain	-	-	-	6,630	-	6,630	-	6,630
Balances, April 30, 2013	**7,482,162**	**12,296,782**	**201,530**	**(9,370)**	**(93,950)**	**(103,320)**	**(11,017,920)**	**1,377,072**
Shares issued for cash	6,010,000	270,350	22,612	-	-	-	-	292,962
Share issue costs								
Finder’s fees paid in cash	-	(3,150)	-	-	-	-	-	(3,150)
Finder’s fees paid by warrants	-	(3,940)	3,940	-	-	-	-	-
Other share issue costs	-	(3,002)	-	-	-	-	-	(3,002)
Transfer upon expiration of options and warrants	-	83,300	(105,668)	-	-	-	22,368	-
Loss for the year	-	-	-	-	-	-	(377,847)	(377,847)
Other comprehensive income								
Unrealized gain on investments (note 5)	-	-	-	-	96,800	96,800	-	96,800
Unrealized currency translation gain	-	-	-	6,468	-	6,468	-	6,468
Balances, April 30, 2014	**13,492,162**	**$12,640,340**	**$ 122,414**	**$ (2,902)**	**$ 2,850**	**$ (52)**	**$(11,373,399)**	**$ 1,389,303**

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Consolidated Statements of Cash Flows

	Years ended April 30 2014	2013
OPERATING ACTIVITIES		
Loss for the year	$ (377,847)	$ (714,538)
Adjustments for items not involving cash:		
Depreciation	-	308
Write-down and write-off of exploration and evaluation assets	11,121	295,959
Gain on disposition of exploration and evaluation assets	(19,499)	-
Realized loss on investments	110,343	42,646
Gain on write-off of accounts payable	-	(7,500)
Write-off of property and equipment	-	1,061
Unrealized gain on foreign exchange	-	(7,486)
	(275,882)	(389,550)
Changes in non-cash working capital:		
Accounts receivables	9,107	23,518
Mining tax credit receivable	11,319	34,545
Prepaid expenses	(868)	173
Accounts payable and accrued liabilities	(16,880)	7,067
Due from and to related parties	(23,988)	29,149
	(297,192)	(295,098)
INVESTING ACTIVITIES		
Proceeds from sale of investments	9,860	12,354
Recovery of reclamation bond	10,339	-
Proceeds from sale of exploration and evaluation assets	12,000	-
Investments in exploration and evaluation assets	(11,710)	(95,585)
	20,489	(83,231)
FINANCING ACTIVITIES		
Flow-through share premium received	7,538	-
Shares and warrants issued for cash, net	286,810	-
	294,348	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(99)	7,496
NET CHANGE IN CASH	17,546	(370,833)
CASH, beginning of year	53,995	424,828
CASH, end of year (note 12)	$ 71,541	$ 53,995
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest income	$ 132	$ 594
Foreign exchange	(269)	(430)
Income taxes	-	-
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING ACTIVITIES		
Shares received upon sale of exploration and evaluation asset	7,500	-
Finder's fees paid by the issuance of warrants	3,940	-
Exploration and evaluation asset costs paid by the issuance of shares	-	(5,000)

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Great Thunder Gold Corp. was incorporated under the laws of the Province of British Columbia, Canada. The Company owns interests in exploration and evaluation assets in the Province of British Columbia, Canada and the State of Nevada, USA, and its principal business is the exploration and development of those assets. The Company`s head office and principal place of business is Suite 900 - 570 Granville Street, Vancouver, British Columbia, Canada. On April 16, 2013, the Company changed its name from Mill Bay Ventures Inc. to Great Thunder Gold Corp.

The Company is in the exploration stage of its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying value of these assets represents the total of net costs capitalized, and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition of the assets. For those exploration and evaluation assets in which it has a joint venture interest, the Company is required to contribute its proportionate share of costs or accept dilution of its interest.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. There are conditions that cast significant doubt on the validity of this assumption. As of April 30, 2014, the Company had working capital of $33,534 (2013 – $12,291) and an accumulated deficit of $11,373,399 (2013 – $11,017,920). The Company will need to raise new funds through the sale of shares to maintain operations. These factors together raise substantial doubt about its ability to continue as a going concern. These consolidated financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from carrying values as shown in these consolidated financial statements should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance
These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the IFRS Committee ("IFRIC").

These consolidated financial statements were authorized by the audit committee and the board of directors of the Company on August 25, 2014. The board of directors has the power to amend these consolidated financial statements after issuance, if applicable.

2. BASIS OF PRESENTATION (continued)

Statement of consolidation and presentation
These consolidated financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value, including available for sale investments. All dollar amounts presented are in Canadian dollars, which is the Company's functional and presentation currency, unless otherwise specified. The accounting policies described herein have been applied consistently to all periods in these consolidated financial statements.

Control exists when the Company has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Golden Reef Mining Co. Intercompany balances and transactions, income and expenses are eliminated on consolidation.

The functional currency of the Company's wholly-owned subsidiary, Golden Reef Mining Co., is the U.S. dollar. The assets and liabilities of Golden Reef are translated into the presentation currency using the exchange rate at the year end, and income and expenses are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the year). All resulting translation differences are reported as a separate component of shareholders' equity titled "Currency Translation Account" within Accumulated Other Comprehensive Loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. Actual outcomes could differ from these judgments and estimates. Revisions to accounting estimates are recognized in the year in which the estimate is revised and may affect both current and future years.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following.

Critical accounting judgments
Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

Functional currency
In concluding that the Canadian dollar is the functional currency of the parent and the U.S. dollar is the functional currency of the subsidiary, management considered the currency that mainly influences the costs of providing goods and services in each jurisdiction in which the Company operates.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting judgments (continued)

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Once technical feasibility and commercial viability of an exploration and evaluation asset can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. At the end of the year, management had determined that no reclassification of exploration and evaluation assets was required.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the year that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for the share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions are described in note 4.

Reclamation and environmental obligations

Reclamation provisions have been created based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirement. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time reclamation costs are actually incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Golden Reef Mining Co., a company incorporated under the laws of the State of Nevada, USA. Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation
The reporting currency of the Company is the Canadian dollar.

The functional currency of each of the parent Company and its subsidiary is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiary is the United States dollar.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and subsidiary companies
The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

a) assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
b) income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of comprehensive loss. These differences are recognized in the profit or loss in the period in which the operation is disposed of.

Financial instruments
Financial assets and liabilities are recognized in the statements of financial position when the Company becomes a party to the contractual provision of the financial instrument. The Company does not have any derivative financial instruments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets
The Company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. The Company did not hold any fair value through profit or loss financial assets.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest method, less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified its cash, receivables, amounts due from related parties and reclamation bond as loans and receivables.

Held-to-maturity investments
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of operations and comprehensive loss. The Company did not hold any held-to-maturity investments.

Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations and comprehensive loss. The Company has classified its investments as available-for-sale.

Impairment
All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method
The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for financial assets other than financial assets classified as fair value through profit or loss.

De-recognition of financial assets
A financial asset is derecognized when the contractual right to the asset's cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. The Company did not hold any fair value through profit or loss financial liabilities.

Other financial liabilities
Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable and accrued liabilities, due to related parties and site restoration obligations are classified as other financial liabilities.

Derecognition of financial liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Transaction costs
Transaction costs associated with fair value through profit or loss financial assets and liabilities are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the instrument.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents recorded in the statements of financial position comprise cash at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company did not hold any cash equivalents at the date of the statements of financial position.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated in cost centres by exploration area and not depreciated pending determination of technical feasibility and commercial viability.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and/or probable reserves have been discovered. Upon determination of proven and/or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

Exploration and evaluation expenditures are classified as intangible assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other property and equipment
Other property and equipment is recorded at cost upon acquisition and amortized over its estimated useful life on the declining balance basis at an annual rate of 30%.

Impairment
At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to common stock.

Flow-through shares
Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares (continued)
Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

Share-based payment transactions
The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the date of grant, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income taxes
Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with respect to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statements of financial position.

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Site restoration obligation

The Company recognizes the fair value of a legal or constructive liability for an asset retirement obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

The Company evaluated its site restoration obligations to be $15,000 as at April 30, 2014 (2013 – $15,000).

Loss per share

Basic income (loss) per common share is computed by dividing the net income (loss) for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in net loss, such as unrealized gains or losses on available for sale investments, gains or losses on certain derivative instruments, and foreign currency gains or losses related to self-sustaining operations. The Company’s comprehensive income (loss), components of other comprehensive income (loss), cumulative translation adjustments, and unrealized gains (losses) on available for sale investments are presented in the statements of operations and comprehensive loss and the statements of equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations recently adopted

The following standards were adopted by the Company May 1, 2013, but had no material impact on the consolidated financial statements:

IFRS 10 – Consolidated financial statements
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under previous IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaced SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 11 – Joint arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures are accounted for using the equity method of accounting whereas for a joint operation the venturer recognizes its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 superseded IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 – Disclosure of interests in other entities
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles, and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

IFRS 13 – Fair value measure
IFRS 13 is a comprehensive standard for 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 disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures. The standard was effective for the Company commencing May 1, 2013.

IAS 27 – Separate financial statements
IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements.

IAS 28 – Investments in associates and joint ventures
IAS 28 was amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations recently adopted (continued)

IAS 1 – Presentation of financial statements
IAS 1 amendment requires components of other comprehensive loss to be separately presented between those that may be reclassified to loss and those that will not.

IAS 32 – Financial instruments: presentation
IAS 32 amendment provides clarification on the application of offsetting rules.

IFRIC 20 – Stripping costs in the production phase of a surface mine
IFRIC 20 clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent years.

New accounting standards and interpretations not yet adopted
The following standard has been issued but is not yet effective and has not been early adopted by the Company. The Company is evaluating the impact of this new standard, but does not anticipate the standard will have a significant impact on its consolidated financial statements.

IFRS 9 – Financial instruments
IFRS 9 was issued in November 2009 and contains requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. The standard will be effective for the Company for the year ending April 30, 2019.

5. INVESTMENTS

Investments in available for sale shares comprise the following:

	Number of Shares	Cost	Accumulated Unrealized Gain	April 30, 2014 Fair Value
Levon Resources Ltd.	15,000	$ 900	$ 2,850	$ 3,750
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
	65,001	$ 902	$ 2,850	$ 3,752

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2013 Fair Value
Levon Resources Ltd.	30,000	$ 1,800	$ 9,000	$ 10,800
CMQ Resources Inc.	30,000	105,500	(102,950)	2,550
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
	110,001	$107,302	$ (93,950)	$ 13,352

During the year ended April 30, 2014, the Company reclassified previously unrecognized losses of $104,450 (2013 – $37,500) from other comprehensive loss to the consolidated statement of operations upon the disposition of investments designated as available-for-sale and recorded unrealized losses of $7,650 (2013 – $4,750).

Levon Resources Ltd. is a related public company with common directors. Fair value was determined using quoted market prices at the date of the statements of financial position.

Brettco Oil & Gas Inc. is an unrelated private company, the fair value of whose shares is not readily determinable at the date of the statements of financial position. Accordingly, the investment in Brettco is shown at its cost.

The Company owns a 16.67% equity interest in Oniva International Services Corporation, a private company with common management, which provides office and administration services to the Company. The remaining 83.33% is shared equally between five other companies that are related by common directors (see note 9). As Oniva is a private company, fair value is not readily determinable at the date of the statements of financial position and the investment in Oniva is shown at its cost.

6. RECLAMATION BONDS

The Company has deposited funds and hypothecated term deposits totalling $13,000 (2013 – $13,000) as security to the Province of British Columbia for future mineral claims site reclamation. The term deposits bear interest at a weighted average rate of 1.00% per annum (2013 – 2.13%). As at April 30, 2013, the Company also provided a non-interest bearing cash bond amounting to US$10,000 in favour of the U.S. Bureau of Land Management as a reclamation deposit relating to claims located in Nevada, USA. This bond was returned to the Company during the year. Reclamation bonds are classified as loans and receivables.

6. RECLAMATION BONDS (continued)

The Company has recognized a site restoration obligation of $15,000 in respect of the reclamation of its exploration and evaluation assets. The timing of this amount is unknown and accordingly has been recorded at its full amount.

7. EXPLORATION AND EVALUATION ASSETS

	Valentine Mountain	BRX Claims	Golden Repeat Claims	JDN Claims	E & E Claims	Total
Balance, April 30, 2013	$1,338,426	$ 1	$ 1	$ 1	$ -	$1,338,429
Exploration and other costs incurred in the year:						
Claim renewal fees	-	-	-	2,235	8,137	10,372
Maintenance	588	750	-	-	-	1,338
	588	750	-	2,235	8,137	11,710
Sale proceeds						
Cash	-	-	(12,000)	-	-	(12,000)
Shares	-	-	(7,500)	-	-	(7,500)
	-	-	(19,500)	-	-	(19,500)
Writedown and write-off of exploration and evaluation assets	-	(750)	-	(2,235)	(8,136)	(11,121)
Gain (loss) on disposition of exploration and evaluation assets	-	-	19,499	-	-	19,499
Balance, April 30, 2014	$1,339,014	$ 1	$ -	$ 1	$ 1	$1,339,017

	Valentine Mountain	BRX Claims	Ivanpah Claims	AC Claims	Golden Repeat Claims	JDN Claims	E & E Claims	Total
Balance, April 30, 2012	$1,274,900	$ 1	$ 1	$ 256,802	$ 1	$ 1	$ 1	$1,531,707
Exploration costs incurred in the year:								
Assays	2,032	-	-	-	-	-	-	2,032
Consulting	42,229	-	-	-	-	-	-	42,229
Geological	12,333	-	-	-	-	-	-	12,333
Lease payments	-	-	-	15,113	-	-	-	15,113
Licenses and taxes	18,251	-	-	16,833	-	-	-	35,084
Mining tax credits	(11,319)	-	-	-	-	-	-	(11,319)
	63,526	-	-	31,946	-	-	-	95,472
Writedown of exploration and evaluation assets	-	-	(1)	(295,957)	-	-	(1)	(295,959)
Currency translation gain	-	-	-	7,209	-	-	-	7,209
Balance, April 30, 2013	$1,338,426	$ 1	$ -	$ -	$ 1	$ 1	$ -	$1,338,429

7. EXPLORATION AND EVALUATION ASSETS (continued)

Valentine Mountain Claims
In 2008 and 2009, the Company acquired a 100% interest in 25 mineral claims comprising approximately 7,188 hectares and two overlying placer claims comprising 43 hectares on Valentine Mountain located 50 kilometres west northwest of Victoria, British Columbia, Canada for total consideration of $39,158 and 116,666 common shares of the Company valued at $270,000. One of the claims is subject to a 5% net smelter returns royalty, which the Company may repurchase for $1,000,000.

BRX Claims
The Company previously acquired a 50% undivided interest in nine mineral tenures comprising approximately 2,115 hectares in the Lillooet Mining Division of central British Columbia, Canada by issuing 3,333 common shares valued at $30,000 and incurring exploration expenditures totalling $200,000. The other 50% joint interest is held by Levon Resources Ltd., a company with common directors. Under the joint venture agreement with Levon, each of the participants is required to fund their proportionate share of further exploration expenditures, failing of which will dilute their interest. On dilution to 10%, the non-contributor's interest will convert to a 10% net profits royalty interest.

During 2011, the Company wrote down the property's value to a nominal $1; however, management intends to maintain the claims in good standing.

JDN Claims
The Company owns a 50% undivided interest in 27 mining claims in Lander County, Nevada, USA, subject to a 3% net smelter returns royalty in favour of Geomex Development Eighth Partnership. The royalty may be repurchased for US$1,250,000. The remaining 50% interest in the mining claims is owned by a subsidiary of Coral Gold Resources Ltd., a corporation with common directors.

E & E Claims
The Company owns a 100% interest in 26 mining claims in Eureka County, Nevada, USA.

Golden Repeat Claims
The Company owned a 100% interest in 49 mining claims in Elko County, Nevada, USA. In May 2013, the Company sold the claims for $12,000 cash, 500,000 common shares of the purchaser and a 2% net smelter returns royalty. If, during the 10 years following the sale, the purchaser establishes reserves or a resource of not less than 500,000 ounces of gold or gold equivalent, the purchaser will issue an additional 500,000 shares to the Company.

Ivanpah Claims
In 2007, the Company acquired 16 placer mining claims located in Clark County, Nevada, USA for 73,333 common shares of the Company and US$128,000 from a Company controlled by a director. The claims were written-off during the financial year ended April 30, 2013 and were permitted to lapse during the year.

AC Claims
In 2008 and 2010, the Company entered into, and amended, an option agreement to acquire 111 mining claims located in Lander County, Nevada, USA covering approximately two square miles by paying 50,000 shares over three annual instalments (issued), US$1,300,000 in 11 annual instalments (US$65,000 paid), and incurring US$10,000 of exploration expenditures on the property (incurred). The claims were written-off during the financial year ended April 30, 2013 and the Company terminated the option in June 2013.

8. SHARE CAPITAL

Authorized
An unlimited number of common shares without par value.

Issued
In May 2013, the Company completed a private placement of 4,000,000 units at a price of $0.05 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one share purchase warrant. Each warrant, in turn, entitles the holder to purchase an additional common share at a price of $0.10 for a period of five years following the closing of the offering. The Company paid a finder's fee of $3,150 and 63,000 broker warrants valued at $3,940. The fair value of the broker warrants was estimated using the Black-Scholes option valuation model assuming a risk-free rate of 1.38%, annual volatility of 150.39% and an annual dividend rate of 0%. Each broker warrant entitles the holder to purchase a common share of the Company at a price of $0.10 for a period of five years following the closing of the offering. Participants in the offering included, directly or indirectly, five directors and officers who purchased, in total, 2,250,000 units of the offering.

In March 2014, the Company completed a private placement of 502,500 flow-through shares at a price of $0.05 per share and 1,507,500 non-flow-through units at a price of $0.05 per unit with a company controlled by a director. Each non-flow-through unit consisted of one common share and one-half of one share purchase warrant. Each full warrant, in turn, entitles the holder to purchase an additional common share at a price of $0.05 for a period of five years following the closing of the offering. The Company estimated the fair value of the portion of the flow-through shares relating to the flow-through premium at $0.015 per share and the fair value of the warrants included in the non-flow-through units at $0.03 per warrant.

Effective April 16, 2013, the Company consolidated its share capital and exchanged one new common share for every three old common shares. All common share and commitments to issue common shares information has been restated retroactively throughout these consolidated financial statements to reflect this share consolidation.

Share purchase warrants
The continuity of warrants during the year is as follows:

	April 30, 2014		April 30, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	3,626,662	$1.26	5,629,784	$0.69
Warrants issued	4,816,750	0.09	-	-
Expired	(3,626,662)	(1.26)	(2,003,122)	(0.75)
Balance, end of year	4,816,750	$0.09	3,626,662	$1.26

8. SHARE CAPITAL (continued)

A summary of share purchase warrants outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants Outstanding and Exercisable April 30, 2014	April 30, 2013
$1.50 (2013 – $0.75)	September 19, 2013	-	2,893,329
$0.30	April 20, 2014	-	733,333
$0.10	May 23, 2018	4,063,000	-
$0.05	March 4, 2019	753,750	-
		4,816,750	3,626,662

Share-based payments

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time. The options expire not more than 10 years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

A summary of the Company's stock options as of April 30, 2014 and 2013, and the changes for the financial years ending on those dates is as follows:

	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balances, April 30, 2012	599,166	$ 0.57	4.3	599,166	0.57	4.3
Expired and forfeited	(105,832)	(0.34)		-		
Balances, April 30, 2013	493,334	0.45	3.4	493,334	$ 0.45	3.4
Expired and forfeited	(93,333)	(0.45)		-		
Balances, April 30, 2014	400,001	$ 0.45	2.4	400,001	$ 0.45	2.4

Escrow shares

As at April 30, 2014, 1,668 common shares were held in escrow (2013 – 27,668).

9. RELATED PARTY TRANSACTIONS AND BALANCES

Management transactions

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the years ended April 30, 2014 and 2013 are as follows:

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2014	2013
Management fees paid and accrued to a corporation controlled by the Company's Chief Executive Officer	$ 96,000	$ 77,000
Consulting and management fees paid to the Company's former Chief Executive Officer and a corporation controlled by the Company's former Chief Executive Officer	27,000	89,000
Management fees paid to a corporation controlled by the Company's Chief Financial Officer	60,030	28,970
Management fees paid to the Company's former Chief Financial Officer	-	31,500
Consulting fees paid to an individual related to the Company's former Chief Executive Officer	-	26,500
	$ 183,030	$ 252,970

Other related party transactions
During the year ended April 30, 2014, $18,143 (2013 – $34,323) the Company was charged for office, occupancy, miscellaneous costs, salaries and administrative services paid on behalf of the Company by Oniva International Services Corporation, a private corporation of which 16.67% is owned by the Company. The arrangement may be terminated with one month notice by either party.

Due to related parties
As at April 30, 2014, the Company owed $20,021 (April 30, 2013 – $34,858) to directors, officers and other related parties of the Company in the ordinary course of business. The Company also paid a fee retainer to a corporation controlled by an officer in the ordinary course of business, of which $9,151 was outstanding at April 30, 2014 (April 30, 2013 – nil). The amounts due to and from related parties are non-interest bearing, unsecured and due on demand.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at April 30, 2014 or 2013.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at April 30, 2014 in the amount of $71,541 (2013 – $53,995) in order to meet short-term business requirements. At April 30, 2014, the Company had current liabilities of $58,359 (2013 – $82,538). Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment (see note 1 – Nature of Operations and Going Concern).

10. FINANCIAL INSTRUMENTS (continued)

Market Risk
Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk
Interest rate risk has two components:

a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid, on-demand investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currencies. At the end of the year, the Company was not exposed to material foreign currency risk.

Other Price Risk
Other price risk is the risk that the fair value or 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 exposed to other price risk with respect to its investments as they are carried at fair value based on quoted market prices. Based on the investments balance as at April 30, 2014, a 10% change in share price would have affected the Company's net loss by approximately $375.

Classification of Financial Instruments
IFRS 7 – *Financial Instruments: Disclosures* – establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted 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); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's investments, other than those carried at cost, is categorized as a Level 1 in the Fair Value Hierarchy. The fair value of the Company's cash, receivables, amounts due from and to related parties, and accounts payables and accrued liabilities approximate their carrying values because of the short-term or on-demand nature, as applicable, of these instruments. The fair value of the Company's available-for-sale investments is detailed in note 5.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at April 30, 2014, the Company had $1,460,844 of capital (2013 – $1,431,067), an increase in capital of $29,777 during the year ended April 30, 2014 (2013 – $339,381 decrease).

12. CASH

Cash consists of bank balances and short-term deposits with banks. Cash included in the Consolidated Statements of Cash Flows comprise the following amounts:

	April 30, 2014	April 30, 2013
Bank balances	$ 47,244	$ 53,995
Bank balances restricted for exploration	24,297	-
Balance, end of year	$ 71,541	$ 53,995

13. FOREIGN OPERATIONS

The statement of financial position as at April 30, 2014 includes $2 for exploration and evaluation assets located in Nevada, USA (2013 – $2).

14. INCOME TAXES

The Company's tax rates range from 15% to 26%. The provision for income taxes differs from the amounts computed by applying the statutory rates to the loss before tax provision due to the following:

14. INCOME TAXES (continued)

	Years ended April 30, 2014	2013
Statutory rate	15% - 26%	15% - 39%
Income taxes recovered at the statutory rates	$ 98,240	$ 178,635
Items not deductible (taxable)	(14,632)	14,653
Share issue costs incurred	1,355	-
Effect of change of tax rate	69,318	-
Non-capital losses expired	(71,514)	-
Temporary differences	-	(74,833)
Benefit of tax losses not recognized in the year	(82,767)	(118,455)
Deferred income tax recovery recognized in the year	$ -	$ -

The approximate tax effects of each type of temporary difference that gives rise to deferred tax assets are as follows:

	April 30, 2014	2013
Non-capital loss carryforwards	$1,366,897	$1,292,081
Capital loss carryforwards	13,525	-
Canadian and foreign exploration and development expenditures	365,095	347,889
Investments	(741)	37,237
Share issuance costs	16,719	33,673
Other	22,952	-
Unrecognized deferred asset costs	(1,784,447)	(1,710,880)
Net deferred tax assets	$ -	$ -

The Company has non-capital losses of approximately $2,889,100 in Canada and US$2,368,200 in the United States available to reduce future years' income for tax purposes, the tax effect of which has not been recorded in the accounts. If unused, the Canadian losses will expire as follows:

2015	$ 253,400
2016	247,500
2027	287,800
2028	187,400
2029	302,100
2030	229,500
2031	224,500
2032	380,500
2033	412,200
2034	364,200
	$ 2,889,100

15. COMMITMENTS

The Company entered into a consulting agreement with a corporation controlled by its Chief Executive Officer whereby that corporation will provide management services at a rate of $8,000 per month, or such amount as agreed by mutual consent of the parties, until January 31, 2016. The agreement may be terminated by the Company without cause upon payment of six months of fees as severance.

The Company entered into a consulting agreement with a corporation controlled by its Chief Financial Officer whereby that corporation will provide consulting services at its standard rates. The agreement may be terminated by the Company without cause upon payment of three months of fees as severance.

16. SUBSEQUENT EVENTS

In May 2014 and July 2014, options to purchase a total of 266,667 common shares of the Company at a price of $0.45 per share expired unexercised.

In July 2014, the Company completed a non-brokered private placement of 2,400,000 units at a price of $0.025 per unit. The units comprised 2,400,000 common share and 1,300,000 share purchase warrants. Each warrant entitles the holder to purchase an additional common share at a price of $0.05 for a period of five years following the closing of the offering.

In July 2014, 1,000,000 warrants with an exercise price of $0.10 and an expiry date of May 23, 2018, as well as 753,750 warrants with an exercise price of $0.05 and an expiry date of March 4, 2019 were terminated.