

**NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2014 AND 2013

(Expressed in Canadian dollars)

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Navasota Resources Inc.
(formerly Anglo Aluminum Corp.)

We have audited the accompanying consolidated financial statements of Navasota Resources Inc. (formerly Anglo Aluminum Corp.) and its subsidiaries, which comprise the consolidated statements of financial position as at April 30, 2014 and 2013, and the consolidated statements of comprehensive loss, statements of changes in (deficiency) equity, and statements of cash flows for the years 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the 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 company'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 company'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 Navasota Resources Inc. (formerly Anglo Aluminum Corp.) and its subsidiaries as at April 30, 2014 and 2013, and their financial performance and cash flows for the years 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 Navasota Resources Inc. (formerly Anglo Aluminum Corp.) incurred a net loss of \$241,094 during the year ended April 30, 2014 and, as of that date, the company had an accumulated deficit of \$25,148,759. These conditions, along with other matters as disclosed in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Vancouver, Canada
August 22, 2014


Chartered Accountants

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

	April 30, 2014	April 30, 2013
ASSETS		
Current Assets		
Cash	\$ 382	\$ 9,839
Amounts receivable (Note 4)	869	16,716
Prepaid expenses	2,731	3,473
	3,982	30,028
Non-current Assets		
Property, plant and equipment (Note 5)	24,746	62,132
Exploration and evaluation assets (Note 6)	2	2
	\$ 28,730	92,162
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 292,742	\$ 220,507
Loans payable (Note 8)	29,000	30,000
	321,742	250,507
(DEFICIENCY) EQUITY		
Share Capital (Note 9)	26,227,850	26,147,850
Share-based Payments Reserves	2,135,857	2,103,857
Deficit	(25,148,759)	(24,914,842)
Equity Attributable To The Shareholders Of The Parent	3,214,948	3,336,865
Non-Controlling Interests (Notes 6a) and 17)	(3,507,960)	(3,495,210)
	(293,012)	(158,345)
	\$ 28,730	\$ 92,162
Going Concern (Note 1)		
Commitment (Note 12)		
Segmented Information (Note 13)		

These consolidated financial statements were authorized for issue by the Board of Directors on August 22, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

	April 30, 2014	April 30, 2013
Administrative Expenses		
Advertising	\$ 1,285	\$ 2,988
Conferences	434	1,698
Consulting fees		
- Cash	2,500	2,000
- Share-based compensation	6,000	-
Corporate development	-	1,120
Depreciation	4,975	12,478
Investor relations	3,318	1,991
Management fees (Note 11(a))	88,000	90,000
Office and sundry (Note 11 (b))	2,406	10,404
Professional fees	51,726	44,962
Rent (Note 11 (b))	-	10,799
Share-based compensation	26,000	-
Transfer agent and regulatory fees	25,159	18,076
Travel and promotion	7,157	31,677
Wages and benefits (Note 11 (b))	-	74,308
	(218,960)	(302,501)
Other Income (Expense)		
Expense recovery	2,800	-
Gain on settlement of debt (Note 11 (b))	29,994	-
Loss on disposal of equipment	(27,378)	-
Foreign exchange loss	(8)	(2)
Impairment of exploration and evaluation assets	(27,542)	(9,742,008)
Net Loss And Comprehensive Loss For The Year	\$ (241,094)	\$ (10,044,511)
Net Loss And Comprehensive Loss Attributable To:		
Shareholders of the parent	\$ (228,344)	\$ (5,374,053)
Non-controlling interests (Note 17)	(12,750)	(4,670,458)
	\$ (241,094)	\$ (10,044,511)
Basic And Diluted Loss Per Common Share (Note 10)	\$ (0.02)	\$ (0.62)
Weighted Average Number Of Common Shares		
Outstanding (Note 10)	9,751,899	8,650,802

The accompanying notes are an integral part of these consolidated financial statements.

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIENCY) EQUITY
FOR THE YEARS ENDED APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

	Equity Attributable To The Shareholders Of The Parent						Non-Controlling Interests	Total Equity (Deficiency)
	Number Of Common Shares	Share Capital	Share Subscriptions	Share-Based Payments Reserves	Deficit	Total		
Balance At April 30, 2012	86,305,285	\$ 26,097,850	\$ -	\$ 2,103,857	\$ (19,537,592)	\$ 8,664,115	\$ 775,248	\$ 9,439,363
Net loss and comprehensive loss for the year	-	-	-	-	(5,374,053)	(5,374,053)	(4,670,458)	(10,044,511)
Private placement	1,000,000	50,000	-	-	-	50,000	-	50,000
Share issuance costs	-	-	-	-	(3,197)	(3,197)	-	(3,197)
Funding from non-controlling interests	-	-	-	-	-	-	400,000	400,000
Balance At April 30, 2013	87,305,285	\$ 26,147,850	\$ -	\$ 2,103,857	\$ (24,914,842)	\$ 3,336,865	\$ (3,495,210)	\$ (158,345)
10:1 share consolidation	(78,574,756)	-	-	-	-	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	(228,344)	(228,344)	(12,750)	(241,094)
Private placement	1,600,000	80,000	-	-	-	80,000	-	80,000
Share issuance costs	-	-	-	-	(5,573)	(5,573)	-	(5,573)
Share-based compensation	-	-	-	32,000	-	32,000	-	32,000
Balance At April 30, 2014	10,330,529	\$ 26,227,850	\$ -	\$ 2,135,857	\$ (25,148,759)	\$ 3,214,948	\$ (3,507,960)	\$ (293,012)

The accompanying notes are an integral part of these consolidated financial statements.

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

	April 30, 2014	April 30, 2013
Cash Provided By (Used For):		
Operating Activities		
Net loss and comprehensive loss for the year	\$ (241,094)	\$ (10,044,511)
Items not requiring (providing) cash:		
Depreciation	10,158	19,883
Share-based compensation	32,000	-
Gain on settlement of debt	(29,994)	-
Loss on disposal of equipment	27,378	-
Impairment of exploration and evaluation assets	27,542	9,742,008
Net change in non-cash working capital items	91,126	63,900
Cash used for operating activities	(82,884)	(218,720)
Investing Activities		
Payments for exploration and evaluation assets	-	(274,580)
Cash used for investing activities	-	(274,580)
Financing Activities		
Repayment of loan obligations	(30,000)	(200,000)
Receipt of loan proceeds	29,000	30,000
Issuance of common shares for cash	80,000	50,000
Payment of share issuance costs	(5,573)	(3,197)
Funding from non-controlling interests	-	400,000
Cash provided by financing activities	73,427	276,803
Decrease In Cash	(9,457)	(216,497)
Cash, Beginning Of Year	9,839	226,336
Cash, End Of Year	\$ 382	\$ 9,839
Interest paid	\$ -	\$ -
Income taxes paid	-	-

Amounts paid and or received for interest and income taxes, if any, are included in cash flows provided by (used for) operating activities.

The accompanying notes are an integral part of these consolidated financial statements.

NAVASOTA RESOURCES INC.
(formerly ANGLO ALUMINUM CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS, CHANGE OF NAME AND GOING CONCERN

Navasota Resources Inc. (the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on March 7, 1980. Effective July 12, 2013, in connection with a share consolidation, the Company changed its name from Anglo Aluminum Corp. to Navasota Resources Inc. The Company's principal place of business is located at 432 Royal Avenue, Kamloops, British Columbia, Canada. Its registered office is located at Suite 1810 – 1111 West Georgia Street, Vancouver, British Columbia, Canada. The common shares of the Company are listed for trading on the TSX Venture Exchange (the "Exchange"), and its common shares trade under the symbol "NAV-V.". The Company's principal business activity is the exploration of its bauxite exploration and evaluation assets.

The Company is in the process of exploring its bauxite exploration and evaluation assets, but has not yet determined whether the exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing and permitting to complete the development of those reserves, and upon future profitable production or proceeds from the disposition thereof.

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred significant losses from inception and incurred a net loss of \$241,094 for the year ended April 30, 2014 (April 30, 2013 – \$10,044,511), and has a working capital deficiency of \$317,760 as at April 30, 2014 (April 30, 2013 – \$220,479).

The Company's ability to continue as a going concern is dependent upon the continued support of its related parties, the ability of the Company to raise equity and/or debt financing, the discovery of economically recoverable reserves, the ability to further its exploration and evaluation assets and ultimately the attainment of profitable operations. It is expected that the Company's current cash position will not be sufficient to fund its needs for the near future (refer to Notes 14 and 15 for additional information).

Management is currently reviewing several funding options including equity financing. The Company is seeking joint venture partners to further its exploration and evaluation assets. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements and/or continue as a going concern, then material adjustments could be required to the carrying value of assets and liabilities and the consolidated statement of financial position classifications used. Additionally, the Company may be required to liquidate its assets. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of all assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on August 22, 2014.

(c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

NAVASOTA RESOURCES INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION (continued)

(d) Presentation and functional currency

Presentation and functional currency

The Company's functional and presentation currency is the Canadian dollar. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiaries are measured using that functional currency. The Canadian dollar is the functional currency of all the Company's subsidiaries.

Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Gains and losses arising on foreign currency translations are included in the Company's consolidated statements of comprehensive loss.

(e) Significant accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. The preparation of the consolidated financial statements also requires management to exercise judgment aside from those that involve estimates, in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key uncertainties related to estimates that have a significant risk of resulting in a material adjustment within the next financial year, and adjustments that have the most significant effect on the amounts recognized and disclosed in the consolidated financial statements.

Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. During the year ended April 30, 2014, the Company recognized an impairment of \$27,542 (April 30, 2013 - \$9,742,008) representing the carrying value of its Koba/Koumbia and Mamou-Dalaba exploration and evaluation assets.

Useful life of property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at April 30, 2014 was \$24,746 (April 30, 2013 - \$62,132).

Share-based compensation

Management is required to make certain estimates when determining the fair value of share option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's consolidated statements of comprehensive loss. For the year ended April 30, 2014 the Company recognized share-based compensation expense of \$32,000 (April 30, 2013 - \$Nil).

Critical judgments used in applying accounting policies

In the preparation of these consolidated financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the consolidated financial statements.

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2. BASIS OF PREPARATION (continued)

(e) Significant accounting estimates and judgements (continued)

Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its mineral property interests under exploration. Once technical feasibility and commercial viability of a property interest can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. As at April 30, 2014 and 2013 management had determined that no reclassification of exploration and evaluation assets was required.

Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company, its 51% interest in Société AMIG Navasota Mining International S.A.R.L. ("AMIG"), and its 67% interest in Africa Bauxite Corporation ("ABC"), which company acquired 100% of Société Guinéenne de Fer et de Bauxite S.A.R.L. ("SGFB") from the Company during the year ended April 30, 2012. All inter-company transactions and balances have been eliminated on consolidation.

(b) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities, with the exception of those classified as at fair value through profit or loss ("FVTPL"), are measured at fair value plus transaction costs on initial recognition. Financial assets and financial liabilities at FVTPL are measured at fair value on initial recognition and transaction costs are expensed when incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets

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

At fair value through profit or loss ("FVTPL") - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are measured at fair value with changes in fair value recognized in the Company's consolidated statements of comprehensive loss for the year. Cash is classified as FVTPL.

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 measured at amortized cost less 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. Amounts receivable are classified as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities based on the nature of the liability and the purpose for which it was incurred. All of the Company's financial liabilities are classified as other financial liabilities.

Other financial liabilities - This category includes financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, and the loans payable are classified as other financial liabilities.

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FOR THE YEARS ENDED APRIL 30, 2014 AND 2013
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Exploration and evaluation assets

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property by property basis. If the assets are acquired as part of a business combination, they are recorded at fair value at the date of acquisition. All costs directly related to exploration activities are capitalized once the Company has obtained the legal right to explore. Acquisition costs include cash consideration and the fair value of the Company's common shares, based on recent issue prices, issued to acquire exploration and evaluation assets pursuant to the terms of the agreements. Exploration expenditures, net of recoveries, are capitalized as incurred. After a property is determined by management to be technically feasible and commercially viable, acquisition costs and their related deferred exploration expenditures on the property will be transferred to mineral properties under development. Prior to transfer, the assets will be tested for impairment. The costs related to a property from which there is production, will be depleted and depreciated using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company, are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the exploration and evaluation assets until the payments are in excess of acquisition costs, at which time they are then recognized in profit or loss in the Company's consolidated statements of comprehensive income or loss. Option payments received are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

(d) Decommissioning liability

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of an exploration and evaluation asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money and the risks specific to the obligation are used to calculate the net present value. These costs are charged to the Company's consolidated statements of comprehensive income or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each year for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. As at April 30, 2014 and 2013, the Company has no significant restoration, rehabilitation and environmental costs as disturbance to date is minimal.

(e) Property, plant and equipment

Property, plant and equipment ("PPE") is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

PPE is depreciated annually at the following rates, when they become available for use:

Automotive equipment	- 30% declining balance method
Computer equipment	- 30% declining balance method
Office equipment	- 20% declining balance method

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

An item of PPE is derecognized upon disposal. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Company's consolidated statements of comprehensive income or loss.

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(f) Impairment

At each reporting date, the carrying amounts of the Company's assets, including exploration and evaluation assets, are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a 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 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 Company's consolidated statements of comprehensive income or loss. For the purposes of assessing for indications of impairment and impairment testing, assets that do not have largely independent cash inflows are grouped into cash generating units. Cash generating units are the smallest identifiable groups of assets having independent cash inflows.

An impairment loss, excluding those recognized on goodwill, is reversed if there has been a change in the circumstances leading to the impairment loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had previously been recognized.

(g) Share capital

Common shares

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.

Equity units

Units issued are comprised of common shares and share purchase warrants. The net proceeds are allocated to the common shares based on their fair value, as determined by the current quoted trading price on the announcement date, with the remainder allocated to the share-based payments reserves for warrants.

(h) Loss per share

The Company presents basic and diluted gain/loss per share data for its common shares, calculated by dividing the gain/loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted gain/loss per share is determined by adjusting the gain/loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. All of the share options and share purchase warrants were anti-dilutive for the years ended April 30, 2014 and 2013.

(i) Share-based compensation

The Company sometimes grants share-based awards to directors, employees and consultants. The fair value of options granted is recognized as an expense with a corresponding increase in equity. An individual is deemed to be an employee

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-based compensation (continued)

The Company sometimes grants share-based awards to directors, employees and consultants. The fair value of options granted is recognized as an expense with a corresponding increase in equity. An individual is deemed to be 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.

Where the share-based payments are awarded to employees, the fair value is measured at grant date, 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.

Where share-based payments are granted to non-employees, they are measured at the estimated fair value of the goods or services received. The estimated fair value is included in the consolidated statements of comprehensive income or loss, unless they are related to the issuance of shares. Share-based payments granted to non-employees that are related to the issuance of shares are recorded as a reduction of share capital.

All share-based payments are included in share-based payments reserves, until exercised. Upon exercise, shares are issued from treasury and the amount included in share-based payments reserves is transferred to share capital, adjusted for any consideration paid.

(j) Income taxes

Income taxes 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 regards to previous years.

Deferred tax is recorded using the consolidated statement of financial position 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. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable income or loss are not provided for. 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 consolidated statement of financial position dates.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the asset is not recognized. 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.

(k) Future changes to accounting standards

The following new or amended accounting standards are not yet effective, and the Company has not completed its assessment of their impact on its consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 was issued in November 2009, and subsequently revised in October 2010 and November 2013 as part of the International Accounting Standards Board's (the "IASB's") ongoing project to replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 will be effective for the Company May 1, 2018.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Future changes to accounting standards (continued)

IFRS 9 Financial Instruments (continued)

IFRS 9 introduces new requirements for the classification and measurement of financial assets, reducing the number of classifications from those in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also includes guidance on the classification and measurement of financial liabilities, which largely carried forward the existing requirements in IAS 39. IFRS 9 was further amended during November 2013 to introduce new guidance related to hedge accounting. The final complete IFRS 9 was issued in July 2014, which included new guidance for impairment and other amendments.

IFRS 15 Revenues From Contracts With Customers ("IFRS 15")

IFRS 15 was issued in May 2014, replacing existing guidance related to revenue recognition. IFRS 15 will be effective for the Company on May 1, 2017.

IFRS 15 includes a single revenue recognition model based on the principal that revenue is recognized when control of a good or service is transferred to the customer. When appropriate, contracts with customers are divided into separate performance obligations, each of which represent promises to deliver distinct goods or services. IFRS 15 provides guidance for recognizing revenue from performance obligations that are delivered at a point in time, or delivered over time. IFRS 15 also includes additional disclosure requirements.

IFRS 21 Levies ("IFRS21")

In May 2013, the IASB issued IFRIC 21 related to the timing of recognizing liabilities resulting from certain payments made to governments. IFRIC 21 will be effective for the Company May 1, 2014.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are comprised of the following:

	April 30, 2014	April 30, 2013
Amount receivable	\$ -	\$ 14,495
GST receivable	869	2,221
	\$ 869	\$ 16,716

5. PROPERTY, PLANT AND EQUIPMENT

	Automotive Equipment	Computer Equipment	Leasehold Improvements	Office Equipment	Total
COST					
Balance at April 30, 2012	\$ 59,262	\$ 18,993	\$ 39,928	\$ 43,119	\$ 161,302
Additions	-	-	-	-	-
Balance at April 30, 2013	59,262	18,993	39,928	43,119	161,302
Disposals	-	(12,461)	(39,928)	(24,996)	(77,385)
Balance at April 30, 2014	\$ 59,262	\$ 6,532	\$ -	\$ 18,123	\$ 83,917

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Automotive Equipment	Computer Equipment	Leasehold Improvements	Office Equipment	Total
ACCUMULATED DEPRECIATION					
Balance at April 30, 2012	\$ 34,579	\$ 8,882	\$ 16,456	\$ 19,370	\$ 79,287
Depreciation for the year	7,406	3,033	4,694	4,750	19,883
Balance at April 30, 2013	41,985	11,915	21,150	24,120	99,170
Disposals	-	(12,462)	(22,089)	(15,606)	(50,157)
Depreciation for the year	5,183	2,124	939	1,912	10,158
Balance at April 30, 2014	\$ 47,168	\$ 1,577	\$ -	\$ 10,426	\$ 59,171
CARRYING AMOUNTS					
At April 30, 2013	\$ 17,277	\$ 7,078	\$ 18,778	\$ 18,999	\$ 62,132
At April 30, 2014	\$ 12,094	\$ 4,955	\$ -	\$ 7,697	\$ 24,746

6. EXPLORATION AND EVALUATION ASSETS

April 30, 2014	Koba/ Koumbia Property	Mamou- Dalaba Property	Total
Acquisition Costs			
Cash payments	\$ -	\$ -	\$ -
Deferred Exploration Expenditures			
Assays and geochemical	-	-	-
Camp	1,235	618	1,853
Consulting and staff	19,942	6,938	26,880
Change in estimate of prior year corporation administration costs	(6,694)	-	(6,694)
Vehicle	5,503	-	5,503
	19,986	7,556	27,542
Costs For The Year	19,986	7,556	27,542
Balance, Beginning Of Year	1	1	2
Impairment Of Exploration And Evaluation Assets	(19,986)	(7,556)	(27,542)
Balance, End Of Year	\$ 1	\$ 1	\$ 2

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6. EXPLORATION AND EVALUATION ASSETS (continued)

April 30, 2013	Koba/ Koumbia Property	Mamou- Dalaba Property	Total
Acquisition Costs			
Cash payments	\$ 11,147	\$ 65,005	\$ 76,152
Deferred Exploration Expenditures			
Assays and geochemical	417	-	417
Camp	1,201	-	1,201
Consulting (Note 11(a))	56,438	75,616	132,054
Corporation administration costs	12,661	376	13,037
Geological	25,856	52,329	78,185
Technical and field staff	38,759	1,779	40,538
Vehicle	11,092	-	11,092
	146,424	130,100	276,524
Costs For The Year	157,571	195,105	352,676
Balance, Beginning Of Year	8,918,961	470,373	9,389,334
Impairment Of Exploration And Evaluation Assets	(9,076,531)	(665,477)	(9,742,008)
Balance, End Of Year	\$ 1	\$ 1	2

(a) Koba/Koumbia

During the year ended April 30, 2007, the Company entered into an option agreement (the "Option Agreement") with AMIG and its shareholders to earn and acquire up to 100% of the issued share capital of AMIG. AMIG is a Guinean corporation and its shareholders are residents of Conakry, Guinea, West Africa.

AMIG is the legal and recorded holder of one mineral exploration permit for two mining research licenses granted by the Ministry of Mines and Geology of the Republic of Guinea on May 10, 2006. The permit covers two contiguous areas aggregating 1,064 km², located in the prefectures of Télemélé (Koba) and Gaoual (Koumbia) (the Project), for the exploration of bauxite. The permit was initially valid for three years and has since, in accordance with Article 30 of the new mining code of the Republic of Guinea, been renewed with the permitted area being reduced by approximately 50%, resulting in a new permit comprising two licences covering 536 km².

Under the terms of the Option Agreement, the Company was granted an option to acquire an initial 45% of the issued share capital of AMIG by incurring a minimum aggregate US\$2,000,000 in exploration expenditures on the Project (incurred) and by paying US\$350,000 (paid) to the AMIG shareholders, within a period of three years.

During the year ended April 30, 2009, the Company exercised such option and acquired 45% of the issued share capital of AMIG. The AMIG agreement was subsequently amended on December 1, 2009 pursuant to which the Company was granted an option to acquire an additional 6% of the issued share capital of AMIG by paying US\$350,000 (paid). The Company has exercised such option and is the registered holder of 51% of the issued share capital of AMIG.

Additionally, the Company may elect to acquire all remaining 49% of the issued shares of AMIG by incurring all exploration and development expenditures necessary to complete and deliver to AMIG a bankable feasibility study in respect of the

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6. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Koba/Koumbia (continued)

Project and paying US\$15,000,000 (US\$150,000 deposit paid) and issuing 1,500,000 of its common shares to the third party shareholders of AMIG.

Costs incurred by the Company to April 30, 2014 and 2013 are comprised of:

Payment on first share option (US\$350,000)	\$	358,059
Exchange filing fees, legal and other		76,258
Deposit paid towards acquiring the remaining issued share capital of AMIG (US\$150,000)		186,065
Balance, April 30, 2009		620,382
Final payment on second share option (US\$350,000)		372,574
Increase in valuation on acquiring 51% of the issued share capital of AMIG (Note 17)		775,248
Balance, April 30, 2010		1,768,204
Mineral exploration permit and licence fees paid to extend expiry date of permit		67,057
Balance, April 30, 2011		1,835,261
Mineral exploration licence fees		10,607
Balance, April 30, 2012		1,845,868
Mineral exploration licence fees		11,147
Impairment		(1,857,014)
Balance, April 30, 2013 and 2014	\$	1

The Company entered into a Memorandum of Understanding with the Ministry of Mines, Energy and Hydraulic of the Republic of Guinea (the "Ministry") allowing for the sale of the Koba/Koumbia Project to a third party. The Company will work with the Ministry to identify acceptable potential purchasers for its bauxite resources and will endeavour to complete a sale that is acceptable to both parties in a timely manner. The Ministry shall provide all requisite approvals for any potential sale and, in consideration for such approval, the Company will pay 50% of the net sale proceeds to the Ministry. Any disposition of the Project shall be subject to acceptance of the Exchange and, if required, approval of the Company's shareholders. As at and subsequent to April 30, 2014, the Company is not in negotiations with any potential purchasers of the Koba/Koumbia Project.

During the year ended April 30, 2013, the Company's management reviewed the Koba/Koumbia Project and determined to recognize an impairment to a nominal value of \$1 of its exploration and evaluation assets relating to this property interest due to the expiration of the exploration permit on December 26, 2013, and the resulting uncertainty of the Company being able to realize the carrying value of the asset. On October 30, 2013 the Ministry granted an eight month extension to the Company for the Koba/Koumbia permit to June 30, 2014. Due to the uncertainty of the Company being able to further pursue activity on the Koba/Koumbia exploration and evaluation assets, the Company has determined there is not enough evidence to support the recoverability of the carrying value of these assets. An impairment charge was recognized during the year ended April 30, 2014 to reduce the carrying value of the assets to \$1. As at August 22, 2014, the exploration permit has not been renewed by the applicable government authorities and the Company is now awaiting renewal of the permit but no assurance can be given that it will be renewed.

(b) Mamou-Dalaba

SGFB holds the Mamou-Dalaba bauxite property interest in Guinea, West Africa. The exploration and evaluation asset consists of one exploration permit comprising three research licenses covering 934 km² in south-western Guinea. The renewed permit is in good standing until December 23, 2014.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Mamou-Dalaba

During the years ended April 30, 2013 and 2014, the Company's management reviewed the Mamou-Dalaba bauxite property interest and determined to recognize an impairment to a nominal value of \$1 of its exploration and evaluation assets relating to this exploration permit due to certain economic uncertainties relating to this asset.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are comprised of the following:

	April 30, 2014	April 30, 2013
Trade payables	\$ 77,987	\$ 104,276
Accrued liabilities	68,650	28,409
Trade payables owing to related parties (Notes 11 (a) & (b))	146,105	87,822
	\$ 292,742	\$ 220,507

8. LOANS PAYABLE

During the year ended April 30, 2014, the Company received loans of \$29,000 from a private company controlled by a director of the Company. As security, the Company has provided promissory notes to repay the loans on demand. The loans are non-interest bearing and remain unpaid subsequent to the year ended April 30, 2014. Subsequent to April 30, 2014, the Company received additional loans of \$21,500 from the same company, and \$5,000 from an unrelated third party, with the same terms and conditions disclosed above.

During the year ended April 30, 2013, the Company received loans of \$20,000 and \$10,000 from a director of the Company, and from an unrelated third party. As security, the Company had provided promissory notes to repay the loans on demand to both of the lenders. The loan from the Director of the Company bore interest at 1% per annum, and the loan from the third party was non-interest bearing. Both loans were repaid in September 2013.

9. SHARE CAPITAL

(a) Authorized Share Capital

Unlimited number of common shares without par value. On July 11, 2013, pursuant to a resolution passed by the shareholders of the Company on December 14, 2012, the Company consolidated its share capital on a basis of ten old shares for one new share.

(b) Issued Share Capital

At April 30, 2014, the Company had 10,330,529 common shares outstanding (April 30, 2013 – 8,730,528 subsequent to the 10 to 1 consolidation).

On September 9, 2013, the Company closed a non-brokered private placement of 1,600,000 units at a price of \$0.05 per unit, for proceeds totaling \$80,000. Each unit was comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at an exercise price of \$0.10 per share until September 9, 2015, subject to accelerated expiry in certain circumstances.

On February 15, 2013, the Company closed a non-brokered private placement of 1,000,000 pre-consolidated units at a price of \$0.05 per unit, for proceeds totaling \$50,000. Each unit was comprised of one common share and one half of one non-transferable share purchase warrant. Each whole post-consolidated warrant entitles the holder to purchase an

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9. SHARE CAPITAL (continued)

(b) Issued Share Capital (continued)

additional post-consolidated common share of the Company at an exercise price of \$1.00 per share until February 15, 2015, subject to accelerated expiry in certain circumstances.

(c) Share Options

The Company has a share option plan whereby a rolling maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of share options. The term of the share options granted are fixed by the board of directors, and are not to exceed five years. The exercise prices of the share options are determined by the board of directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant the share options, less any discount permitted by the Exchange, but shall not be less than \$0.05 per share. The share options vest immediately on the date of grant unless otherwise required by the Exchange, however, a four month hold period applies to all shares issued under each share option, commencing on the date of grant. Other terms and conditions are as follows: all share options are non-transferable; no more than 5% of the issued shares may be granted to any one individual in any 12 month period; without the prior consent of the Exchange, no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period; disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the holder is an insider, (ii) any grant of share options to insiders, within a 12 month period, exceeding 5% of the Company's issued shares; and share options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares. Options granted shall expire within 90 days (30 days if the optionee is engaged in investor relations activities) after the optionee ceases to be director, officer, consultant, or employee of the Company.

A continuity schedule of the Company's outstanding share options for years ended April 30, 2014 and 2013 is as follows:

	April 30, 2014		April 30, 2013	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	410,500	\$ 3.80	450,500	\$ 3.90
Granted	800,000	0.05	-	-
Exercised	-	-	-	-
Cancelled/Expired	(271,000)	(3.68)	(40,000)	(4.60)
Outstanding, end of year	939,500	\$ 0.41	410,500	\$ 3.80

As at April 30, 2014, the Company had share options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Options Outstanding	Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (In Years)
January 21, 2015	77,500	77,500	\$ 0.23	0.73
April 28, 2015	40,000	40,000	0.09	0.99
May 1, 2015	10,000	10,000	0.02	1.00
October 1, 2015	12,000	12,000	0.03	1.40
September 9, 2018	800,000	800,000	0.04	4.39
	939,500	939,500	\$ 0.41	3.89

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9. SHARE CAPITAL (continued)

(c) Share Options (continued)

As at April 30, 2013, the Company had share options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Options Outstanding	Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (In Years)
May 15, 2013	100,000	100,000	\$ 0.90	0.01
June 11, 2013	100,000	100,000	1.50	0.03
July 2, 2013	20,000	20,000	0.30	0.01
November 5, 2013	15,000	15,000	0.10	0.02
January 12, 2014	15,000	15,000	0.10	0.03
January 21, 2015	77,500	77,500	0.50	0.33
April 28, 2015	40,000	40,000	0.20	0.19
May 1, 2015	10,000	10,000	0.00	0.05
October 1, 2015	33,000	33,000	0.20	0.19
	410,500	410,500	\$ 3.80	0.86

(d) Warrants

A continuity schedule of outstanding common share purchase warrants for the years ended April 30, 2014 and 2013 is as follows:

	April 30, 2014		April 30, 2013	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	250,000	\$ 1.40	450,000	\$ 2.60
Issued	1,600,000	0.10	50,000	1.00
Expired	(200,000)	(1.50)	(250,000)	(3.50)
Outstanding, end of year	1,650,000	\$ 0.12	250,000	\$ 1.40

As at April 30, 2014, the Company had outstanding share purchase warrants exercisable to acquire common shares of the Company as follows:

Expiry Date	Warrants Outstanding	Exercise Price	Remaining Contractual Life (In Years)
February 15, 2015	(ii) 50,000	\$ 1.00	0.80
September 9, 2015	(i) 1,600,000	\$ 0.10	1.36
	1,650,000		

- (i) The Company may accelerate the expiry date to 30 days if its shares trade on the Exchange at a price of \$0.20 or more for 20 consecutive days.
- (ii) The Company may accelerate the expiry date to 30 days if its shares trade on the Exchange at a price of \$2.50 or more for 20 consecutive trading days.

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9. SHARE CAPITAL (continued)

(d) Warrants (continued)

As at April 30, 2013, the Company had outstanding share purchase warrants exercisable to acquire common shares of the Company as follows:

Expiry Date		Warrants Outstanding	Exercise Price	Remaining Contractual Life (In Years)
January 18, 2014	(ii)	100,000	\$ 1.50	0.72
January 27, 2014	(i)	100,000	\$ 1.50	0.75
February 15, 2015	(i)	50,000	\$ 1.00	1.80
		250,000		

- (i) The Company may accelerate the expiry date to 30 days if its shares trade on the Exchange at a price of \$2.50 or more for 20 consecutive trading days.
- (ii) The Company may accelerate the expiry date to 30 days if its shares trade on the Exchange at a price of \$4.00 or more for 20 consecutive trading days.

(e) Share-based compensation

The fair value of share options granted using the Black-Scholes option pricing model to directors, employees and consultants that vested during the year ended April 30, 2014 was \$32,000 (April 30, 2013 - \$Nil) which has been expensed as share-based compensation in the Company's consolidated statements of comprehensive loss.

For the years ended April 30, 2014 and 2013, share-based compensation expense consists of the following:

Expense Classification:	April 30, 2014	April 30, 2013
Consulting fees	\$ 6,000	\$ -
Directors and officers	\$ 26,000	\$ -
	\$ 32,000	\$ -

The Company estimated the fair value of share options granted using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

	April 30, 2014	April 30, 2013
Risk-free interest rate	1.20%	-
Expected annual volatility	127%	-
Expected life in years	5.00	-
Expected dividend yield	0%	-

10. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended April 30, 2014 was based on the comprehensive loss attributable to the shareholders of the parent of \$228,344 (April 30, 2013 - \$5,374,053) and a post-consolidated weighted average number of common shares outstanding of 9,751,899 (April 30, 2013 - 8,650,802).

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11. RELATED PARTY TRANSACTIONS

(a) Key management services

Transactions related to key management during the years ended April 30, 2014 and 2013 were as follows:

	April 30, 2014		
	Short-term Benefits	Share-based Payments	Total
James T. Gillis Management Co. Inc. (i)	\$ 88,000	\$ -	\$ 88,000

	April 30, 2013		
	Short-term Benefits	Share-based Payments	Total
James T. Gillis Management Co. Inc. (i)	\$ 90,000	\$ -	\$ 90,000
Williams Management Consulting (ii)	35,000	-	35,000

- (i) James T. Gillis Management Co. Inc.; a B.C. private company that employs the Company's Chief Executive Officer, President and Director, James T. Gillis. At April 30, 2014, \$126,105 (April 30, 2013 - \$33,705) of fees, reimbursements and applicable taxes are included in accounts payable and accrued liabilities (Note 7).
- (ii) Williams Management Consulting; an Australian private company controlled by Company director Russell Williams. At April 30, 2014, \$20,000 (April 30, 2013 - \$20,000) of these fees are included in accounts payable and accrued liabilities (Note 7). Fees paid to Williams Management Consulting/Russell Williams are included within consulting fees in the consolidated schedules in Note 6, exploration and evaluation assets.

(b) Other

During the year ended April 30, 2014, the Company incurred \$Nil (April 30, 2013 - \$83,352) in administrative expenses representing its allocation of shared office, rent, and wages and benefits costs. These costs were incurred on account of operating a shared office premise with Cassidy Gold Corp., which company shares directors and officers in common with the Company. As at April 30, 2014, \$Nil (April 30, 2013 - \$34,117) of these shared expenses remain due to Cassidy Gold Corp., and which amounts are included within accounts payable and accrued liabilities (Note 7). During the year ended April 30, 2014, Cassidy Gold Corp. forgave the debt owing by the Company and it recorded a gain on settlement of debt of \$29,994 after adjusting for the applicable taxes on the shared expenses disclosed above.

12. COMMITMENT

The Company has a management services agreement with James T. Gillis Management Co. Inc. requiring payments of \$6,500 per month plus taxes. The agreement is in effect until February 28, 2019 unless sooner terminated in accordance with the provisions of the agreement.

13. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral property interests.

The Company's total assets, located within its geographic segments of Canada and Africa are as follows:

	April 30, 2014	April 30, 2013
Canada	\$ 16,384	\$ 74,762
Africa	12,346	17,400
	\$ 28,730	\$ 92,162

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14. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, being credit risk, liquidity risk, and market risk, which are defined as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and as a result, the Company considers its credit risk to be minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity risk by attempting to maintain adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing and future loan facilities. Cash on hand at April 30, 2014 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

Accounts payable and accrued liabilities and loans payable are due within twelve months of the consolidated statement of financial position date.

(c) Market risk

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

(i) Interest rate risk

Interest rate risk consists of two components:

- ❖ 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.
- ❖ 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.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

(ii) 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 currency. The Company is exposed to foreign currency risk with respect to cash and accounts payable and accrued liabilities, as a portion of these amounts are denominated in Australian and US dollars as follows:

	AUSTRALIAN DOLLARS		US DOLLARS	
	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013
Cash	\$ -	\$ -	\$ 304	\$ 180
Accounts payable and accrued liabilities	(31,511)	(29,969)	(80,825)	(57,589)
Rate to convert to \$1.00 CDN	1.0169	1.0445	1.0960	1.0075

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14. FINANCIAL INSTRUMENTS (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

The Company manages foreign currency risk by minimizing the value of financial instruments denominated in foreign currency. The Company has not entered into any foreign currency contracts to mitigate this risk.

(iii) Other price risk

The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and stock exchanges to determine the appropriate course of action to be taken by the Company.

(d) Fair value of financial instruments

The fair values of the Company's amounts receivable, accounts payable and accrued liabilities and loans payable approximate their carrying values because of the short-term nature of these instruments.

IFRS 7 "Financial Instruments Disclosure" establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure the 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 Company's cash is classified at Level 1 of the fair value hierarchy. The Company's remaining financial instruments are classified as Level 2. There were no transfers of financial instruments between levels of the hierarchy during the years ended April 30, 2014 and 2013.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of (deficiency) equity as well as its cash balances. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets.

The Company's investment policy is to invest its cash in highly liquid investments which are readily convertible into cash with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects that its current capital resources will not be sufficient to carry out its exploration and evaluation plans and operations through its current operating period. The Company is planning to use equity and debt financing to support ongoing operations; however there is no assurance that additional funding and/or suitable joint venture agreements will be obtained. The Company has no externally imposed capital requirements.

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16. INCOME TAXES

A reconciliation of the statutory tax rate to the effective rate for the Company is as follows:

	April 30, 2014	April 30, 2013
Statutory tax rate	26%	26%
Net loss and comprehensive loss for the year	\$ (241,094)	\$ (10,044,511)
Income tax recovery at Canadian statutory tax rate	(62,684)	(2,611,573)
Permanent differences and expiry of non-capital loss	62,289	51,993
Share issuance costs deductible for tax purposes	(1,449)	(831)
Change in tax rates	-	(116,478)
Increase in unrecognized deferred income tax assets	1,844	2,676,889
Deferred income tax recovery	\$ -	\$ -

Significant components of the Company's deferred tax assets as of April 30, 2014 and 2013 are as follows:

	April 30, 2014	April 30, 2013
Deferred income tax assets :		
Tangible assets and other	\$ 4,377	\$ 865
Undeducted share issuance costs	3,370	4,486
Exploration and evaluation assets	4,321,598	4,315,785
Non-capital losses	1,111,818	1,118,183
Net capital losses	149,527	149,527
Deferred income tax assets	5,590,690	5,588,846
Unrecognized deferred income tax assets	(5,590,690)	(5,588,846)
Deferred income tax assets	\$ -	\$ -

As at April 30, 2014 and 2013, the Company had deductible temporary differences for which deferred income tax assets have not been recognized because it is not probable that the related tax benefits will be realized.

As at April 30, 2014, the Company has Canadian non-capital losses of approximately \$4,276,224 (April 30, 2013 - \$4,300,702) which expire in various years to 2034, as follows:

Expiry Date	Amount
2015	\$ 185,945
2026	354,030
2027	338,420
2028	380,177
2029	462,069
2030	641,138
2031	701,129
2032	614,663
2033	385,786
2034	212,867
	\$ 4,276,224

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16. INCOME TAXES (continued)

As at April 30, 2014, the Company also has Canadian capital losses of approximately \$1,150,208 (April 30, 2013 - \$1,150,208) available for deduction against future Canadian capital gains. Subject to certain restrictions, the Company also has resource expenditures for Canadian income tax purposes of approximately \$14,253,000 (April 30, 2013 - \$14,231,000) available to reduce Canadian taxable income in future years.

17. NON-CONTROLLING INTERESTS

	AMIG	ABC	TOTAL
Balance At April 30, 2013	\$ (3,672,252)	\$ 177,042	\$ (3,495,210)
Share of loss and comprehensive loss	(9,793)	(2,957)	(12,750)
Balance At April 30, 2014	\$ (3,682,045)	\$ 174,085	\$ (3,507,960)