



**FIREBIRD RESOURCES INC.**

Consolidated Interim Financial Statements

Period Ended January 31, 2015

(Unaudited)

(Expressed in Canadian dollars)

## **FIREBIRD RESOURCES INC.**

### **NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that the consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

March 27, 2015

**FIREBIRD RESOURCES INC.**Consolidated statements of financial position  
(Expressed in Canadian dollars)

	January 31, 2015 (Unaudited) \$	April 30, 2014 (Audited) \$
<b>Assets</b>		
Current assets		
Cash	13,737	1,041
Amounts receivable	32,410	13,974
Loan receivable, net of unamortized discount of \$nil (Note 4)	430,000	430,000
<b>Total assets</b>	<b>476,147</b>	<b>445,015</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	827,353	677,166
Due to related party (Note 7)	275,877	213,867
Promissory notes payable (Note 8)	92,000	–
Loan payable (Note 8)	10,170	–
Convertible debenture, net of unamortized discount of \$Nil (April 30, 2014 - \$41,349) (Note 6)	255,000	213,651
<b>Total liabilities</b>	<b>1,460,400</b>	<b>1,104,684</b>
Shareholders' deficit		
Share capital	19,524,482	19,524,482
Share-based payment reserve	2,894,941	2,894,941
Equity portion of convertible debenture (Note 6)	231,092	231,092
Deficit	(23,634,768)	(23,310,184)
<b>Total shareholders' deficit</b>	<b>(984,253)</b>	<b>(659,669)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>476,147</b>	<b>445,015</b>

Nature of operations and continuance of business (Note 1)  
Subsequent events (Note 13)

Approved and authorized for issue by the Board of Directors on March 27, 2015:

*Signed "Thomas R. Tough"*

Thomas R. Tough, Director

*Signed "Glen Macdonald"*

Glen Macdonald, Director

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

**FIREBIRD RESOURCES INC.**

Consolidated statements of operations and comprehensive loss  
(Expressed in Canadian dollars)  
(Unaudited)

	Three month period ended January 31, 2015 \$	Three month period ended January 31, 2014 \$	Nine month period ended January 31, 2015 \$	Nine month period ended January 31, 2014 \$
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Expenses				
Exploration and evaluation expenditures (Note 3)	47,143	30,287	162,613	116,656
General and administrative (Note 7)	(3,223)	13,772	2,582	42,538
Management fees (Note 7)	28,724	34,079	84,716	107,429
Professional fees	3,317	3,423	28,455	10,273
Total operating expenses	75,961	81,561	278,366	276,896
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Loss before other income (expense)	(75,961)	(81,561)	(278,366)	(276,896)
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Other income (expense)				
Accretion of discount on convertible debenture (Note 6)	(7,805)	–	(41,349)	(27,995)
Accretion of discount on loan receivable (Note 4)	–	–	–	6,604
Interest expense	(8,484)	(6,424)	(24,378)	(19,278)
Interest income	6,503	6,704	19,509	21,334
Total other income (expense)	(9,786)	280	(46,218)	(19,335)
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Net loss and comprehensive loss for the period	(85,747)	(81,281)	(324,584)	(296,231)
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Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
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Weighted average shares outstanding	81,010,417	81,010,417	81,010,417	81,010,417
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(The accompanying notes are an integral part of these consolidated financial statements)

**FIREBIRD RESOURCES INC.**

Consolidated statements of changes in equity

(Expressed in Canadian dollars)

(Unaudited)

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	Share capital		Share subscriptions received \$	Share-based payment reserve \$	Equity component of convertible debt \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$					
Balance, April 30, 2013	81,010,417	19,524,482	–	2,894,941	231,092	(22,856,400)	(205,885)
Net loss for the period	–	–	–	–	–	(296,231)	(296,231)
Balance, January 31, 2014	81,010,417	19,524,482	–	2,894,941	231,092	(23,152,631)	(502,116)

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	Share capital		Share subscriptions received \$	Share-based payment reserve \$	Equity component of convertible debt \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$					
Balance, April 30, 2014	81,010,417	19,524,482	–	2,894,941	231,092	(23,310,184)	(659,669)
Net loss for the period	–	–	–	–	–	(324,584)	(324,584)
Balance, January 31, 2015	81,010,417	19,524,482	–	2,894,941	231,092	(23,634,768)	(984,253)

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

**FIREBIRD RESOURCES INC.**

Consolidated statements of cash flows  
(Expressed in Canadian dollars)  
(Unaudited)

	Period ended January 31, 2015 \$	Period ended January 31, 2014 \$
<b>Operating Activities</b>		
Net loss	(324,584)	(296,231)
Items not involving cash:		
Accretion of discount on convertible debenture	41,349	27,994
Accretion of discount on loan receivable	–	(6,604)
Changes in non-cash working capital items:		
Amounts receivable	(18,436)	14,895
Accounts payable and accrued liabilities	150,187	110,718
Due to related party	62,010	62,010
<b>Net cash used in operating activities</b>	<b>(89,474)</b>	<b>(87,218)</b>
<b>Financing Activities</b>		
Advances from (repayment of) loan receivable	–	79,988
Advance from unrelated company	10,170	–
Advances from promissory notes (Note 8)	92,000	–
<b>Net cash provided by (used in) financing activities</b>	<b>102,170</b>	<b>79,988</b>
Change in cash	12,696	(7,230)
Cash, beginning of period	1,041	19,262
Cash, end of period	13,737	12,032
<b>Supplemental disclosures:</b>		
Interest paid	–	–
Income taxes paid	–	–
Interest received	–	21,334

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

## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **1. Nature of Operations and Continuance of Business**

Firebird Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act and in November of 2009 the Company was continued to the Province of British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V"). The Company's trading symbol is FIX. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 1000, 925 West Georgia Street, Vancouver, BC, V6C 3L2.

These consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2015, the Company has not generated any revenues from operations, has an accumulated deficit of \$23,634,768, and has a working capital deficit of \$984,253. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

### **2. Significant Accounting Policies**

#### **(a) Basis of presentation and principles of consolidation**

These consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated interim financial statements have been prepared on a historical cost basis. The consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

The consolidated interim financial statements include the accounts of the Company and its' wholly owned subsidiary, Firebird Gold Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

#### **(b) Use of Estimates and Judgments**

The preparation of the consolidated interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the valuation of exploration and evaluation assets, discount on loan receivable, measurement of share-based payments, equity component of convertible debenture, and deferred income tax asset valuation allowances.

Judgments made by management include the factors used to determine the collectability of loan receivable, and policies regarding the capitalization of exploration and evaluation assets.

#### **(c) Cash and Cash Equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **2. Significant Accounting Policies (continued)**

#### **(d) Exploration and Evaluation Expenditures**

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are first tested for impairment and then capitalized to mining property and development assets within property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

#### **(e) Reclamation and Remediation Provisions**

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statements of operations and comprehensive loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

#### **(f) Financial Instruments**

##### **(i) Non-derivative financial assets**

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.



## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **2. Significant Accounting Policies** (continued)

#### (f) Financial Instruments (continued)

##### (i) Non-derivative financial assets (continued)

###### *Financial assets at fair value through profit or loss*

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

###### *Held-to-maturity investments*

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

###### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale financial assets.

###### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable and loan receivable.

###### *Impairment of financial assets*

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

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

## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **2. Significant accounting policies** *(continued)*

#### (f) Financial instruments *(continued)*

##### (i) Non-derivative financial assets *(continued)*

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

##### (ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, amounts due to a related party and convertible debenture.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

##### (iii) Share capital

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

#### (g) Income Taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **2. Significant Accounting Policies** (continued)

#### (g) Income Taxes (continued)

##### *Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### (h) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

#### (i) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

#### (j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at January 31, 2015, the Company has 6,410,000 (April 30, 2014 – 13,910,000) potential dilutive shares outstanding.

#### (k) Comprehensive Loss

Comprehensive 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 the statement of operations.

## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### **2. Significant Accounting Policies** (continued)

#### (l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

#### (m) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended January 31, 2015, and have not been applied in preparing these consolidated interim financial statements.

- New standard IFRS 9, "Financial Instruments"
- New standard IFRS 10, "Consolidated Financial Statements" and IFRS 12 "Disclosure of interests in Other Entities"
- New standard IFRS 11, "Joint Arrangements"
- Amendments to IFRS 27, "Separate Financial Statements"
- Amendments to IAS 32, "Financial Instruments: Presentation"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### 3. Exploration and Evaluation Expenditures

	Mountain of Gold, Ontario \$	Pageland, South Carolina \$	Total \$
2014			
<i>Acquisition costs:</i>			
Additions	–	133,528	133,528
Total acquisition costs	–	133,528	133,528
<i>Exploration costs:</i>			
General exploration	1,000	61,528	62,528
Total exploration costs	1,000	61,528	62,528
Year ended April 30, 2014	1,000	195,056	196,056
2015			
<i>Acquisition costs:</i>			
Additions	–	128,076	128,076
Total acquisition costs	–	128,076	128,076
<i>Exploration costs:</i>			
General exploration	–	34,537	34,537
Total exploration costs	–	34,537	34,537
Period ended January 31, 2015	–	162,613	162,613

#### (a) Mountain of Gold, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

- (i) issue 50,000 common shares on regulatory approval of the agreement;
- (ii) issue 50,000 common shares by May 4, 2006; and
- (iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, now comprised of one claim, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for \$1,000,000.

#### (b) Pageland Minerals, South Carolina

Pursuant to a mineral property option agreement dated June 24, 2010, the Company was granted an option to acquire a 70% undivided interest in mineral claims in South Carolina. In order to keep the option granted to the Company in good standing, the Company is obligated to:

- i) issue common shares with a fair value of \$4,800,000 (issued) by January 31, 2012;
- ii) pay \$200,000 (paid) on or before March 31, 2011;
- iii) pay \$500,000 (paid) on or before June 30, 2011; and
- iv) incur exploration costs of \$495,000 (incurred) by August 31, 2011.

The Company had the option to acquire the remaining 30% interest in the mineral claims in exchange for \$1,800,000 and incurring an additional \$1,000,000 of exploration costs by October 31, 2012. The Company did not exercise this option and the option has expired.

## FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### 4. Loan Receivable

On July 18, 2011, the Company provided a loan to Velocity Data Inc. (formerly GTO Resources Inc.) ("Velocity Data") for \$700,000 to assist with its start-up expenditure costs. Under the terms of the loan, the amount is unsecured, bears interest at Royal Bank of Canada prime rate plus 3% per annum, compounded semi-annually, and was due on July 18, 2013. In addition, the loan is convertible into common shares of Velocity Data using a weighted average closing price of the first ten trading days following Velocity Data's listing of their common shares, subject to a minimum conversion price of \$0.10 per share.

The Company recorded the initial value of loan receivable at amortized cost of \$608,697, using a discount rate of 15%, which is management's estimate of the prevailing market rate for a company of similar size and operations. During the period ended January 31, 2015, the Company received repayments of \$Nil (2014 - \$86,592) for the principal amount and \$Nil (2014 - \$18,849) for the accrued interest. As of January 31, 2015, the principal balance outstanding is \$430,000 (2014 - \$430,000). During the period ended January 31, 2015, the Company recorded accretion of the loan receivable of \$Nil (2014 - \$6,604).

As at January 31, 2015, accrued interest of \$31,172 (2014 - \$5,372) has been recorded in amounts receivable.

### 5. Accounts Payable and Accrued Liabilities

	January 31, 2015	April 30, 2014
	\$	\$
Trade payables	721,737	592,428
Accrued liabilities	9,000	12,500
Interest payable	96,616	72,238
	827,353	677,166

### 6. Convertible Debenture

On December 10, 2009, the Company completed a convertible debenture financing for proceeds of \$255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matures on December 11, 2014. The debenture is convertible into common shares of the Company at \$0.10 per common share at the option of the holder for the duration of the term. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at \$0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of \$16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of five years. Please refer to Note 13 – Subsequent Events.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was \$23,908 and the amount attributable to the conversion option and warrants was \$231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. During the period ended January 31, 2015, the Company recorded accretion expense of \$41,349 (2014 - \$27,994). As at January 31, 2015, the carrying value of the convertible debenture is \$255,000 (April 30, 2014 - \$213,651).

### 7. Related Party Transactions

- During the period ended January 31, 2015, the Company incurred management fees of \$54,000 (2014 - \$54,000) and rent expense of \$4,500 (2014 - \$4,500) to a company controlled by the Chief Executive Officer of the Company.
- As at January 31, 2015, the Company owed \$275,877 (2014 - \$193,197) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

## FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Period ended January 31, 2015

(Expressed in Canadian dollars)

### 8. Promissory Notes Payable & Loan

- (a) On May 15, 2014, the Company received a loan from an unrelated company for \$35,000. The loan is unsecured, bears interest at 10%, and was due on November 15, 2014. Please refer to Note 13 – Subsequent Events.
- (b) On June 13, 2014, the Company received a loan from an unrelated company for \$25,000. The loan is unsecured, bears interest at 10%, and was due on December 13, 2014. Please refer to Note 13 – Subsequent Events.
- (c) On August 12, 2014, the Company received a loan from an unrelated company for \$20,000. The loan is unsecured, bears interest at 10%, and was due on February 11, 2015. Please refer to Note 13 – Subsequent Events.
- (d) On November 1, 2014, the Company received a loan from an unrelated company for \$10,170. The loan is unsecured and is payable on demand.
- (e) On January 20, 2015, the Company received a loan from an unrelated company for \$12,000. The loan is unsecured, bears interest at 10%, and is due on April 30, 2015.

### 9. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred. The options expire March 25, 2016.

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted Average Exercise Price \$
Outstanding, April 30, 2014	3,860,000	0.60
Outstanding, January 31, 2015	3,860,000	0.60

Additional information regarding stock options outstanding as at January 31, 2015 is as follows:

Range of exercise prices \$	Outstanding and Exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.60	3,860,000	1.15	0.60

### 10. Share Purchase Warrants

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2014	7,500,000	0.11
Expired September 25, 2014	(2,400,000)	0.25
Expired January 8, 2015	(5,100,000)	0.05
Balance, January 31, 2015	–	–

## FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements  
Period ended January 31, 2015  
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### 11. Financial Instruments and Risks

#### (a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at January 31, 2015 as follows:

	Fair Value Measurements Using			Balance, January 31, 2015 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	13,737	–	–	13,737

The fair values of other financial instruments, which include amounts receivable, loan receivable, accounts payable and accrued liabilities, amounts due to related party, and convertible debenture, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### (b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of accrued interest from loan receivable and GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

#### (c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk. The Company has transactions in US dollars, and a 10% change in foreign exchange rates would have an effect of \$702 on foreign exchange gains or losses.

#### (d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### (e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### 12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and equity portion of convertible debenture.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2014.



## **FIREBIRD RESOURCES INC.**

Notes to the consolidated financial statements

Period ended January 31, 2015

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### **13. Subsequent Events**

- (a) The Company's convertible debenture matured on December 11, 2014, and continues to accrue interest at the rate of 10% per annum. The convertible debenture is currently in default.
- (b) The Company's \$35,000 loan of May 15, 2014, with a due date of November 15, 2014, was extended to February 11, 2015 and has been further extended to April 30, 2015.
- (c) The Company's \$25,000 loan of June 13, 2014, with a due date of December 13, 2014, was extended to February 11, 2015 and has been further extended to April 30, 2015.
- (d) The Company's \$20,000 loan of June 13, 2014, with a due date of February 11, 2015, was extended to April 30, 2015.