Acme Resources Inc.

Condensed Interim Financial Statements

Three Months Ended September 30, 2014

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited interim condensed financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these 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 auditor

Acme Resources Inc.
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Notes	September 30, 2014	June 30, 2014 (Audited)
ASSETS			
Current assets			
Cash		$ 8,207	$ 4,840
Marketable securities	4	471	550
Receivables	5	860	893
Prepaid expenses and deposits	14	12,520	11,383
		22,058	17,666
Non-current assets			
Equipment	6	1,777	1,880
Exploration and evaluation assets	8	418,939	418,939
		420,716	420,819
TOTAL ASSETS		**$ 442,774**	**$ 438,485**
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	9,14	$ 17,911	$ 13,024
Promissory note	10,14	131,924	106,211
TOTAL LIABILITIES		**149,835**	**119,235**
SHAREHOLDERS' EQUITY			
Share capital	12	17,161,236	17,161,236
Reserves	13	944,231	944,310
Deficit		(17,812,528)	(17,786,296)
TOTAL SHAREHOLDERS' EQUITY		**292,939**	**319,250**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 442,774**	**$ 438,485**

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

COMMITMENTS (Note 16)

Approved on Behalf of the Board:

/s/ “Seamus Young”
Seamus Young, Director

/s/ “Shaun Maskerine”
Shaun Maskerine, Director

Acme Resources Inc.
Condensed Interim Statements of Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		Three Months Ended	
	Notes	September 30, 2014	September 30, 2013
Expenses			
Amortization	6	$ 103	$ 135
Consulting fees	14	3,750	4,400
Financing fee	10,14	2,776	3,946
Interest	10,14	2,937	1,507
Office and miscellaneous		10,757	10,283
Professional fees		2,500	2,500
Transfer agent and filing fees		3,409	3,791
		(26,232)	(26,562)
Other items			
Gain on disposal of equipment		-	2,567
Net loss		**(26,232)**	**(23,995)**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Unrealized gain (loss) on short-term investments		(79)	785
Proportionate share of Golden Harp's unrealized gain on marketable securities		-	918
Proportionate share of Golden Harp's reclassification adjustment for losses (gains) included in net loss upon sale of marketable securities		-	(387)
Total other comprehensive income (loss)		(79)	1,316
Total comprehensive loss		**$ (26,311)**	**$ (22,679)**
Loss per share - basic and diluted		**$ (0.002)**	**$ (0.002)**

Acme Resources Inc.
Condensed Interim Statements of Changes in Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		Share Capital		Reserves			
	Notes	Number of shares	Amount	Stock option reserve	Investment revaluation reserve	Deficit	Total
Balance at June 30, 2013		**10,969,299**	**$ 17,134,569**	**$ 954,400**	**$ (10,326)**	**$ (17,664,700)**	**$ 413,943**
Net loss		-	-	-	-	(23,995)	(23,995)
Shares issued for financing costs	12	355,556	-	-	-	-	-
Unrealized gain on marketable securities		-	-	-	785	-	785
Proportionate share of Golden Harp's unrealized gain on available for sale marketable securities		-	-	-	918	-	918
Proportionate share of Golden Harp's reclassification adjustment for gains included in net loss upon sale of marketable securities		-	-	-	(387)	-	(387)
Balance at September 30, 2013		**11,324,855**	**17,134,569**	**954,400**	**(9,010)**	**(17,688,695)**	**391,264**
Balance at June 30, 2014		**11,324,855**	**17,161,236**	**954,400**	**(10,090)**	**(17,786,296)**	**319,250**
Net loss		-	-	-	-	(26,232)	(26,232)
Unrealized loss on marketable securities		-	-	-	(79)	-	(79)
Balance at September 30, 2014		**11,324,855**	**$ 17,161,236**	**$ 954,400**	**$ (10,169)**	**$ (17,812,528)**	**$ 292,939**

Acme Resources Inc.
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended	
	September 30, 2014	September 30, 2013
Operating activities		
Net loss	$ (26,232)	$ (23,995)
Adjustments for:		
Accrued loan interest	2,937	1,507
Amortization	103	135
Financing costs	2,776	3,946
Gain on disposal of equipment	-	(2,567)
	(20,416)	(20,974)
Changes in non-cash working capital items:		
Receivables	33	(3,927)
Prepaid expenses and deposits	(1,137)	(5,748)
Trade payables and accrued liabilities	4,887	5,710
Net cash flows used in operating activities	**(16,633)**	**(24,939)**
Investing activities		
Proceeds from disposal of equipment	-	11,500
Proceeds from recovery of exploration and evaluation assets	-	10,559
Expenditures on exploration and evaluation assets	-	(78,698)
Net cash flows used in investing activities	**-**	**(56,639)**
Financing activities		
Proceeds from promissory note	20,000	100,000
Net cash flows from financing activities	**20,000**	**100,000**
Increase in cash	3,367	18,422
Cash, beginning	4,840	56,153
Cash, ending	**$ 8,207**	**$ 74,575**

Supplemental disclosure of non-cash items		
Shares issued for financing costs	$ -	$ 26,667

1. Nature and continuance of operations

Acme Resources Inc. (the "Company") was incorporated on July 10, 1978, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "ARI.V".

The head office, principal address and records office of the Company are located at 1050 West Pender Street, Suite 910, Vancouver, British Columbia, Canada, V6E 3S7. The Company's registered address is Robson Court, 840 Howe Street, Suite 1000, Vancouver, British Columbia, Canada, V6Z 2M1.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2014 the Company had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of presentation

The financial statements were authorized for issue on November 19, 2014 by the directors of the Company.

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

These interim unaudited condensed financial statements do not include all of the information required for full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this unaudited condensed interim financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014. The effects of the adoption of new and amended IFRS pronouncements have been disclosed in Note 3 of these condensed interim financial statements.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended June 30, 2014, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2013.

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of presentation (continued)

Basis of presentation (continued)

These financial statements include an equity interest in Golden Harp Resources Inc. ("Golden Harp"), a company listed on the TSX-V. The Company's ownership interest in Golden Harp was 40.5% at September 30, 2014 (June 30, 2014 - 40.5%). The carrying value of the Company's investment in Golden Harp was reduced to $NIL as of June 30, 2013.

The Company's ownership interest in Golden Harp is accounted for using the equity method, however, the Company has suspended applying the equity method as the Company's share of cumulative losses and impairments exceeds its investment and the Company has no obligation or intention to fund Golden Harp's losses.

Investments

Investments in which the Company has a significant influence are accounted for by the equity method, whereby the Company records its proportionate share of the investee's income or loss. When the Company's equity investee issues its own shares to outside interests, a dilution gain or loss arises as a result of the difference between the Company's proportionate share of the proceeds and the carrying value of the underlying equity.

When the Company's share of cumulative losses equals its investment and the Company has no obligation or intention to fund such additional losses, the Company suspends applying the equity method. The Company will not be able to record any equity in income with respect to an entity until its share of future profits is sufficient to recover any cumulative losses that have not previously been recorded.

3. Adoption of New and Amended IFRS Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2013, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective January 1, 2014

<u>IAS 36 Impairment of Assets</u>

In May 2013, the IASB published a revised version of this standard to reverse the unintended requirement in IFRS 13 'Fair Value Measurements' to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014.

<u>Amendments to IAS 32 Financial Instruments</u>

The IASB has amended IAS 32 to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

These new and amended standards are effective for the Company beginning on July 1, 2014. There has been no material effect from the new standards on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Adoption of New and Amended IFRS Pronouncements (continued)

Accounting Standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning January 1, 2015 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 7 Financial Instruments: Disclosures (Additional disclosures upon transition from IAS 39 to IFRS 9)

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.

4. Marketable securities

Marketable securities consist of shares of unrelated listed companies.

5. Receivables

Receivable consists of GST recoverable.

6. Equipment

	Computer equipment	Computer software	Field equipment	Office equipment	Total
Cost:					
At June 30, 2013	$ 18,236	$ 2,327	$ 41,972	$ 13,964	$ 76,499
Disposals	-	-	(41,972)	-	(41,972)
At June 30, 2014	$ 18,236	$ 2,327	$ -	$ 13,964	$ 34,527
At September 30, 2014	18,236	2,327	-	13,964	34,527
Amortization:					
At June 30, 2013	17,717	2,321	33,039	12,072	65,149
Charge for the period	156	3	-	378	537
Disposals	-	-	(33,039)	-	(33,039)
At June 30, 2014	17,873	2,324	-	12,450	32,647
Charge for the period	27	-	-	76	103
At September 30, 2014	17,900	2,324	-	12,526	32,750
Net book value:					
At June 30, 2014	363	3	-	1,514	1,880
At September 30, 2014	$ 336	$ 3	$ -	$ 1,438	$ 1,777

(Expressed in Canadian Dollars)

7. Investment in Golden Harp

At September 30, 2014 and June 30, 2014, the Company owned 1,000,000 shares of Golden Harp representing a 40.5% interest in Golden Harp. The Company, through its shareholding in Golden Harp, exercises significant influence over that company, and as a result, the investment in Golden Harp is accounted for using the equity method. As of July 1, 2013 the Company has suspended applying the equity method as the Company's share of cumulative losses and impairments exceeds its investment and the Company has no obligation or intention to fund Golden Harp's losses.

Summarized financial information of Golden Harp for the three months ended September 30, 2014 and year ended June 30, 2014 is as follows:

	September 30, 2014	June 30, 2014
Assets	$ 442,774	$ 777,642
Liabilities	$ 149,835	$ 24,689
Revenues	$ -	$ -
Net loss	$ 26,232	$ 23,995

As at September 30, 2014, the Company's investment in Golden Harp had a quoted market value of $40,000 (June 30, 2014 – $250,000).

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets

	Balance September 30, 2014	2015 Expenditures	Balance June 30, 2014	2014 Expenditures (Impairment/ Recovery)	Balance June 30, 2013
Nor Property, Yukon					
Property acquisition costs	$ 422,080	$ -	$ 422,080	$ -	$ 422,080
Impairment	(122,675)	-	(122,675)	(122,675)	-
	299,405	-	299,405	(122,675)	422,080
Exploration and evaluation costs					
Accommodation and meals	342,890	-	342,890	-	342,890
Assay and soil sampling	68,787	-	68,787	-	68,787
Diamond drilling	850,848	-	850,848	-	850,848
Drafting	15,234	-	15,234	-	15,234
Fuel	368,699	-	368,699	(10,559)	379,258
Geologist	526,111	-	526,111	-	526,111
Geophysics	281,283	-	281,283	-	281,283
Helicopter	1,516,526	-	1,516,526	56,869	1,459,657
Housing	28,900	-	28,900	-	28,900
Licenses	33,299	-	33,299	-	33,299
Line cutting	109,794	-	109,794	-	109,794
Supervision	94,305	-	94,305	-	94,305
Supplies and miscellaneous	148,613	-	148,613	800	147,813
Support wages	337,260	-	337,260	-	337,260
Surveys	86,568	-	86,568	-	86,568
Travel and transport	119,611	-	119,611	21,829	97,782
Mineral exploration tax credits	(595,129)	-	(595,129)	-	(595,129)
Impairment	(4,264,660)	-	(4,264,660)	122,675	(4,387,335)
	68,939	-	68,939	191,614	(122,675)
Total Nor Property, Yukon	368,344	-	368,344	68,939	299,405
Bear River, BC					
Property acquisition costs	10,389	-	10,389	-	10,389
Exploration and evaluation costs					
Assays	326	-	326	-	326
License and recording fees	15,126	-	15,126	-	15,126
Supervision	13,750	-	13,750	-	13,750
Supplies and miscellaneous	224	-	224	-	224
	29,426	-	29,426	-	29,426
Total Bear River, BC	39,815	-	39,815	-	39,815
Carswell, Saskatchewan					
Property acquisition costs	-	-	-	-	-
Exploration and evaluation costs					
Supervision	10,750	-	10,750	-	10,750
Supplies and miscellaneous	30	-	30	-	30
	10,780	-	10,780	-	10,780
Total Carswell, Saskatchewan	10,780	-	10,780	-	10,780
Total	$ 418,939	$ -	$ 418,939	$ 68,939	$ 350,000

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

(a) Nor Property, Yukon Territory

The Nor Property consists of mineral claims in the Dawson Mining District, Yukon Territory.

Certain claims are subject to a 2% Net Smelter Royalty ("NSR"). The Company has the right to purchase 50% of the NSR for a purchase price of $2,000,000 and the right of first refusal on the remaining 50%.

During the year ended June 30, 2013, the Company wrote down the carrying value of the Nor Property by $820,915.

During the year ended June 30, 2014, fuel left on the Nor Property was removed in order to satisfy permit requirements. The fuel was then sold and resulted in a recovery of $10,559.

(b) Bear River Property, British Columbia

The Bear River Property consists of mineral claims in the Skeena Mining Division, British Columbia. One of these claims is subject to a 3.5% NSR.

(c) Carswell Property, Saskatchewan

During October 2004, the Company staked a mineral claim in the Athabasca Basin, Saskatchewan.

Pursuant to an Option Agreement dated March 2, 2005, the Company granted an option to a third party to earn a 50% interest in the Carswell Property. To earn this interest the optionee paid $25,000 cash, issued 200,000 of its shares and incurred $100,000 in exploration expenditures. During fiscal 2009 the third party company met the terms of the Option Agreement and has a 50% interest in the property.

Pursuant to a Joint Venture Agreement dated July 24, 2008, the Company granted the third party a further 30% interest in the claim, resulting in the third party having a 80% undivided interest in the property, subject to the delivery by the third party of a bankable feasibility study. The Company will retain a carried interest until the feasibility study is delivered, at which time the Company will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% NSR for all uranium mineral products and a 2% NSR for all other metals.

The third party will return all the Company's interest in any of the claims upon a decision by the third party to terminate work thereon.

9. Trade payables and accrued liabilities

	September 30, 2014	June 30, 2014
Trade payables	$ 5,411	$ 3,024
Accrued liabilities	12,500	10,000
	$ 17,911	$ 13,024

10. Promissory note

The two promissory notes of $100,000 and $20,000 along with $11,924 (June 30, 2014 – $8,987) of accrued interest are payable to a relative of a director of the Company. The notes are due August 7, 2015 and July 16, 2015 respectively, or earlier upon a default by the Company. The promissory notes bear interest at the rate of 10% per annum payable quarterly. The interest rate is fixed until the maturity date of the promissory note.

10. Promissory note (continued)

The $100,000 promissory note included a financing fee of 20% of the principal settled by the issuance of 355,556 of the Company's shares with a fair value of $26,667. The financing fee is recorded as a reduction of the promissory note and the promissory note is accreted to its face value over the term of the note. During the three months ended September 30, 2014 the Company recorded a finance fee expense of $2,776 and accrued interest of $2,937.

11. Restoration and environmental obligations

The Company does not provide for any possible restoration and environmental obligations as management believes that no liability exists. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments regarding restoration and environmental obligations.

12. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2014 there were 11,324,855 (June 30, 2014 – 11,324,855) issued and fully paid common shares.

Share Issuances

During the three months ended September 30, 2014 the Company did not issue any common shares (year ended June 30, 2014 – 355,556 with a fair value of $23,995 (Note 10)).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended September 30, 2014 was based on the net loss attributable to common shareholders of $26,232 (September 30, 2013 – $23,995) and the weighted average number of common shares outstanding of 11,324,885 (September 30, 2013 – 11,069,782).

Diluted loss per share did not include the effect of 650,000 (September 30, 2013 – 650,000) stock options and 6,000,000 (September 30, 2013 – 6,486,667) warrants as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and a minimum price of $0.10. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting in stages over one year from the grant date with a maximum of one-quarter of the options vesting in any three month period. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

(Expressed in Canadian Dollars)

12. Share capital (continued)

Stock options (continued)

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

	September 30, 2014		June 30, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	650,000	$ 0.24	670,000	$ 0.24
Options cancelled	-	-	(20,000)	0.22
Options outstanding, ending	650,000	$ 0.24	650,000	$ 0.24
Options exercisable, ending	650,000	$ 0.24	650,000	$ 0.24

Details of options outstanding as at September 30, 2014 are as follows:

Number of options outstanding	Exercise price	Remaining contractual life
250,000	$ 0.22	0.29 years
400,000	$ 0.25	1.19 years
650,000		

At September 30, 2014, the weighted average remaining contractual life of stock options outstanding was 0.85 years.

Share purchase warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	September 30, 2014		June 30, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	6,486,667	$ 0.27	6,486,667	$ 0.27
Warrants expired	(486,667)	$ 1.50	-	-
Warrants outstanding, ending	6,000,000	$ 0.17	6,486,667	$ 0.27

Details of warrants outstanding as at September 30, 2014 are as follows:

Number of warrants outstanding	Exercise price	Remaining contractual life
3,000,000	$ 0.17	0.46 years
3,000,000	$ 0.16	0.61 years
6,000,000		

At September 30, 2014, the weighted average remaining contractual life of warrants outstanding was 0.54 years.

(Expressed in Canadian Dollars)

13. Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses.

14. Related party transactions

The Company incurred the following related party transactions with companies that are controlled by a relative of a director of the Company.

	Three Months Ended	
	September 30, 2014	September 30, 2013
Financing costs – relative of a director of the Company	$ 2,776	$ 3,946
Interest expense – relative of a director of the Company	2,937	1,507
Travel and transport fees – company controlled by relative of a director of the Company	-	14,676
	$ 5,713	$ 20,129

Key management personnel compensation

	Three Months Ended	
	September 30, 2014	September 30, 2013
Consulting fees - payments made to officers	$ 3,750	$ 650

Related party balances

The Company advanced $3,442 (June 30, 2014 – $3,068) to Golden Harp, which is included in prepaid expenses and deposits at September 30, 2014.

A promissory note of $131,924 (June 30, 2014 – 106,211) payable to a relative of a director of the Company.

Included in trade payables and accrued liabilities at September 30, 2014 is $3,938 (June 30, 2014 – $1,313) owed to an officer of the Company for accrued consulting fees.

15. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

At September 30, 2014 and June 30, 2014 all of the Company's assets are located in Canada.

16. Commitments

The Company is committed to aggregate premise lease payments of $39,457 as follows:

- $16,110 for fiscal 2015;
- $21,551 for fiscal 2016 and
- $1,796 for fiscal 2017.

In addition the Company is also committed to pay its share of operation costs.