MUSGROVE
minerals corp.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2013

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Musgrove Minerals Corp.

We have audited the accompanying consolidated financial statements of Musgrove Minerals Corp., which comprise the consolidated statements of financial position as at November 30, 2013 and 2012 and the consolidated statements of comprehensive loss, changes in equity and 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained in our audits 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 Musgrove Minerals Corp. as at November 30, 2013 and 2012 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Musgrove Minerals Corp.'s ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
March 27, 2014

MUSGROVE MINERALS CORP.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	November 30, 2013	November 30, 2012
		$	$
ASSETS			
Current			
Cash and cash equivalents		214,475	174,775
Marketable securities	4	150,250	45,000
Mineral property payment receivable	6	-	187,060
Other receivables		3,285	15,930
Prepaid expenses		-	15,013
		368,010	437,778
Non-current			
Equipment	5	1,056	6,926
Exploration and evaluation assets	6	465,253	2,915,641
Reclamation bond	6	5,859	5,859
		472,168	2,928,426
TOTAL ASSETS		840,178	3,366,204
LIABILITIES			
Current			
Payables and accrued liabilities	7	185,749	84,653
Short-term loans	8	1,205	1,205
		186,954	85,858
EQUITY			
Share capital	9	16,313,350	16,313,350
Reserves	12	5,023,065	4,837,939
Deficit		(20,683,191)	(17,870,943)
		653,224	3,280,346
TOTAL LIABILITIES AND EQUITY		840,178	3,366,204

Subsequent events (Notes 6 and 9)

APPROVED FOR ISSUANCE BY THE BOARD OF DIRECTORS:

"Norman Brewster" — **Director**

"Rana Vig" — **Director**

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

MUSGROVE MINERALS CORP.
Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

		Year ended November 30,	
	Note	**2013**	**2012**
		$	**$**
EXPENSES			
Amortization	5	7,326	4,223
Advertisement and promotion		1,900	-
Consulting fees	13	172,100	192,914
Filing and transfer agent fees		15,012	32,080
Miscellaneous property exploration		6,145	9,976
Office		27,595	53,277
Professional fees		14,800	88,869
Rent		10,757	103,585
Travel		2,942	7,990
LOSS BEFORE OTHER ITEMS		(258,577)	(492,914)
Accretion	6	12,940	25,286
Bad debt expense		-	(31,200)
Foreign exchange gain (loss)		2,671	(12,026)
Finance fees and interest		-	(13,205)
Gain on debt settlement	14	-	68,223
Impairment on exploration and assets	6	(2,455,444)	(788,187)
Impairment on marketable securities	4	(171,000)	-
Gain (Loss) from disposition of marketable securities		68,750	(16,000)
Other income		1,677	-
Rental income		-	36,400
Write-off of IVA receivable	15	(13,265)	-
NET LOSS		(2,812,248)	(1,223,623)
Basic and diluted loss per share		(0.90)	(0.50)
Weighted average number of outstanding shares - Basic and diluted		3,112,875	2,429,590

COMPREHENSIVE LOSS			
Net loss for the period		(2,812,248)	(1,223,623)
Other comprehensive loss :			
Translation gain (loss)		23,876	(27,764)
Unrealized gain (loss) of marketable securities	4	161,250	(135,000)
Comprehensive loss		(2,627,122)	(1,386,387)

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

MUSGROVE MINERALS CORP.
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

				Reserves					
	Note	Number of shares	Share capital	Investment revaluation reserve	Foreign currency translation reserve	Option reserve	Warrant reserve	Deficit	Equity attributed to shareholders
			$	$	$	$	$	$	$
Balance at November 30, 2011		1,623,358	15,463,259	-	44,740	1,968,249	2,779,014	(16,647,320)	3,607,942
Net loss		-	-	-	-	-	-	(1,223,623)	(1,223,623)
Share issuance for cash	9	1,300,000	376,300	-	-	-	208,700	-	585,000
Share issuance for debt	9	189,516	473,791	-	-	-	-	-	473,791
Translation loss		-	-	-	(27,764)	-	-	-	(27,764)
Unrealized loss on marketable securities	4	-	-	(135,000)	-	-	-	-	(135,000)
Balance at November 30, 2012		3,112,875	16,313,350	(135,000)	16,976	1,968,249	2,987,714	(17,870,943)	3,280,346
Net loss		-	-	-	-	-	-	(2,812,248)	(2,812,248)
Unrealized loss on marketable securities	4	-	-	161,250	-	-	-	-	161,250
Translation gain		-	-	-	23,876	-	-	-	23,876
Balance at November 30, 2013		3,112,875	16,313,350	26,250	40,852	1,968,249	2,987,714	(20,683,191)	653,224

MUSGROVE MINERALS CORP.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended November 30, 2013	2012
	$	$
Operating activities		
Net loss	(2,812,248)	(1,223,623)
Adjustments for non-cash items:		
Accretion	(12,940)	(24,460)
Amortization	7,326	4,223
Bad debt expenses	-	31,200
Gain on debt settlement	-	(68,223)
Impairment on exploration and assets	2,455,444	788,187
Impairment on marketable securities	171,000	
(Gain) Loss of disposition of marketable securities	(68,750)	16,000
Write-off of IVA receivable	13,265	-
Changes in non-cash working capital items:		
Other receivables	(620)	31,229
Prepaid	15,013	(4,167)
Payables and accrued liabilities	101,097	(223,556)
Cash flows used in operating activities	(131,413)	(673,190)
Investing activities		
Acquisition of equipment	(1,457)	(402)
Exploration and evaluation assets costs	(25,536)	(940,556)
Option payment received	45,000	1,103,662
Proceeds received on sale of Vianey property	100,000	125,000
Proceeds received on disposal of marketable securities	53,750	-
Cash flows provided by investing activities	171,757	287,704
Financing activities		
Short-term loan - repayment	-	(19,923)
Shares issuance for cash	-	585,000
Cash flows provided by financing activities	-	565,077
Effect of foreign exchange	(644)	(26,805)
Increase in cash	39,700	152,786
Cash, beginning	174,775	21,989
Cash, ending	214,475	174,775
Non-cash transactions:		
947,582 shares issued for debt	-	473,791
400,000 Westridge shares received	-	240,000
Loan payable assigned to Westridge	-	258,000
100,000 Westridge shares disposed	-	44,000
200,000 Grand Peak shares received	100,000	-

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

1. Nature and continuance of operations

Musgrove Minerals Corp. (the "Company") was incorporated under the laws of British Columbia, Canada on March 29, 2000. The Company's office is located at #200 - 8338 120th Street Surrey, BC, Canada. Its principal activity is the acquisition and exploration of mineral properties in the USA and Mexico. The Company's common shares are traded on the TSX Venture Exchange (the "Exchange") under the symbol "MGS".

These consolidated 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 assets and discharge liabilities in the ordinary course of operations. As at November 30, 2013, the Company had not advanced its 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 mineral property exploration activities and its ability to attain profitable operations and generate funds from equity and/or debt financing that is sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance the Company's operations over the next twelve months with cash on hand, loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value and presentation of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. Statement of compliance with International Financial Reporting Standards

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 27, 2014.

3. Significant accounting policies

Basis of preparation and consolidation

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

These consolidated financial statements include the accounts of the Company and its wholly-owned Mexican subsidiary, Minerales Jazz S.A. de C.V. ("Minerales Jazz"), its wholly owned USA subsidiary, Mugrove Minerals Corp. ("Musgrove USA") and two inactive wholly-owned inactive subsidiaries: Journey Unlimited Equipment Inc. (Canada) and Journey Unlimited Equipment Inc. (USA). All inter-company transactions and balances have been eliminated on consolidation.

3. Significant accounting policies (continued)

Significant accounting judgments and estimates

Significant estimates
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

Critical judgements
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:
- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of expenditures as exploration and evaluation expenditures or operating expenses;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's operating subsidiaries in the USA and Mexico subsidiaries are the US dollar and the Mexican Peso respectively.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss.

3. Significant accounting policies (continued)

Foreign currency translation (continued)

Foreign operations
The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows: - assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and - income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive loss. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued. Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Farms outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized. If the consideration exceeds amounts previously capitalized, any excess is recorded in the statement of comprehensive loss.

3. Significant accounting policies (continued)

Share-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy.

Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for- sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

3. Significant accounting policies (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is calculated on a basis to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Computer equipment	55% Declining Balance
Furniture and fixtures	20% Declining Balance
Leasehold improvements	20% Straight Line
Vehicle	30% Declining Balance

3. Significant accounting policies (continued)

Income taxes

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, in the countries where the Company operates and generates taxable income.

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 profit or loss. 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.

Deferred income tax is provided using the balance sheet 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.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, no value is assigned to the warrants.

Accounting standards issued but not yet effective

At the date of authorization of these financial statements, the following standards, amendments and interpretations have not been early adopted and are not expected to have a material effect on the Company's future results and financial position:

- IFRS 9 "Financial Instruments";
- IFRS 10 "Consolidated Financial Statements";
- IFRS 11 "Joint Arrangements";
- IFRS 12 "Disclosure of Interests in Other Entities";
- IFRS 13 "Fair value measurement"; and
- Amendments to IAS 27 "Separate Financial Statements", IAS 28 "Investments in Associates and Joint Ventures" and IAS 32 "Financial Instruments: Presentation".

IFRS 10 – 13 and amendments to IAS 27 – 28 are effective for years beginning on or after January 1, 2013. The effective date of IFRS 9 has not yet been determined.

(Expressed in Canadian dollars)

4. Marketable securities

As at November 30, 2013 and November 30, 2012, the Company's marketable securities comprise of investments in common shares of Canadian public and private companies. The Company designates its marketable securities as available for sale and the carrying value of such investment were marked to market on each reporting date. A summary of the Company's marketable securities are as follows:

As at November 30, 2013			
Cost	**Unrealized gain**	**Impairment**	**Fair value**
$	$	$	$
295,000	26,250	(171,000)	150,250

As at November 30, 2012		
Cost	**Unrealized loss**	**Fair value**
$	$	$
180,000	(135,000)	45,000

5. Equipment

	Computer equipment	Furniture and fixtures	Leasehold improvements	Vehicle	Total
	$	$	$	$	$
Cost:					
At November 30, 2011	13,894	7,291	6,547	5,887	33,619
Additions	402	-	-	-	402
At November 30, 2012	14,296	7,291	6,547	5,887	34,021
Additions	1,456	-	-	-	1,456
At November 30, 2013	15,752	7,291	6,547	5,887	35,477
Amortization:					
At November 30, 2011	9,824	4,702	4,910	3,435	22,871
Charge for the year	2,075	431	1,037	680	4,223
At November 30, 2012	11,899	5,133	5,948	4,115	27,095
Charge for the year	2,797	2,158	599	1,772	7,326
At November 30, 2013	14,696	7,291	6,547	5,887	34,421
Net book value:					
At November 30, 2012	2,397	2,158	599	1,772	6,926
At November 30, 2013	1,056	-	-	-	1,056

(Expressed in Canadian dollars)

6. Exploration and evaluation assets

	November 30, 2011	Additions	November 30, 2012	Additions	November 30, 2013
	$	$	$	$	$
Empire Mine Property, USA					
Acquisition Costs	147,474	44,847	192,321	-	192,321
Exploration Expenditures					
Administrative	46,028	951	46,979	-	46,979
Assay	153	12,919	13,072	-	13,072
Drilling	165,130	-	165,130	-	165,130
Field and exploration	551,706	9,867	561,572	-	561,572
Geological	341,650	10,784	352,434	-	352,434
Staking and maintenance fees	1,984	4,945	6,929	13,382	20,311
Option payments received	-	(318,730)	(318,730)	(45,000)	(363,730)
Impairment	-	-	-	(715,444)	(715,444)
Effect of foreign exchange	-	-	-	18,773	18,773
	1,254,125	(234,417)	1,019,708	(728,289)	291,418
Musgrove, USA					
Acquisition	644,665	52,330	696,995	10,234	707,229
Exploration Expenditures:					
Administrative	101,586	-	101,586	-	101,586
Assay	79,244	-	79,244	-	79,244
Drilling	433,931	-	433,931	-	433,931
Field and Exploration	87,066	-	87,066	-	87,066
Geochemical Survey	201,249	-	201,249	-	201,249
Geological	176,111	9,641	185,752	-	185,752
Staking and maintenance fees	94,969	15,141	110,110	1,920	112,030
Impairment	-	-	-	(1,740,000)	(1,740,000)
Effect of foreign exchange	-	-	-	5,748	5,748
	1,818,821	77,112	1,895,933	(1,722,098)	173,835
Charay, Mexico					
Acquisition	1,202,033	554,772	1,756,805	-	1,756,805
Exploration Expenditures:					
Assays	13,140	-	13,140	-	13,140
Administrative	-	10,359	10,359	-	10,359
Engineering	366,129	-	366,129	-	366,129
Field and Exploration	90,173	-	90,173	-	90,173
Geological	50,722	-	50,722	-	50,722
Staking and maintenance fees	2,400	-	2,400	-	2,400
Impairment	-	(788,187)	(788,187)	-	(788,187)
Option payments received	(476,609)	(1,024,932)	(1,501,541)	-	(1,501,541)
	1,247,988	(1,247,988)	-	-	-
Total	4,320,934	(1,405,293)	2,915,641	(2,450,387)	465,253

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

Empire Mine Property, USA

On July 26, 2011, the Company exercised its options on exploration and lease agreements (the "Underlying Agreements") to earn a 100% operating interest in certain mining claims at the Empire Mine Property in Idaho, U.S.A. The lease has a term of 12 years.

Under the terms of the Underlying Agreement, the Company is required to:

- Make annual royalty payments of US$57,000;
- Pay the annual holding fees to the Bureau of Land Management;
- Make an advanced royalty payment of US$30,000 by June 1, 2012 (paid);
- Complete metallurgical studies and laboratory analysis by September 1, 2013 (completed);
- Upon the completion sufficient drilling to make the "initial reserves" calculation, make a payment of US$11,500 or issue the equivalent amount of the Company's common shares;
- Upon completion of resource calculations and delivering a copy to the underlying owners of the property, make a payment of US$31,500 or issue the equivalent amount of the Company's common shares;
- Complete a NI 43-101 report within 5 years; and make a payment of $51,500 or issue the equivalent amount of the Company's common shares; and
- Upon completion of a Record of Decision issued by the United States Forest Service or the completion of a Permit to Operate issued by the State of Idaho, make a payment of $125,000 or issue the equivalent amount of the Company's common shares.

Upon commencement of commercial production, the property is subject to a 2.5 % Net Smelter Return ("NSR") royalty which may be reduced to 1.5% for a payment of US$2,400,000.

During the year ended November 30, 2012, the Company entered into an option agreement with Konnex Resources Inc. ("Konnex"), a subsidiary of Boxxer Gold Corp. ("Boxxer"), to grant Konnex the option to acquire 100% of the Company's interest in its Empire Mine Property (the "Konnex Agreement"). Under the Konnex Agreement dated April 23, 2012, and as amended on February 7, 2013 and March 5, 2014, Konnex assumed all the property payments and commitments and is also required to make the following payments to the Company:

Cash payments	$
April 6, 2012 (received)	40,000
May 10, 2012 (received)	200,000
July 10, 2012 (received)	50,000
April 1, 2013 (received)	25,000
September 10, 2013 (received)	10,000
October 1, 2013 (received)	10,000
January 1, 2014 (received subsequent to the year end)	10,000
April 1, 2014	10,000
July 1, 2014	10,000
October 1, 2014	10,000
January 1, 2015	10,000
$7,500 on April 1, July 1, October 1 of 2016, totaling	22,500
$7,500 on January 1, April 1, July 1, October 1 of 2016, totaling	30,000
January 1, 2017	7,500
Total	445,000

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

Share issuances	Number of Boxxer Shares	Number of Konnex Shares
November 9, 2012 (received, with a fair value of $Nil)	-	150,000
April 1, 2013 (received with a fair value of $Nil)	-	1,000,000
October 30, 2013 (received subsequent to year end)	2,000,000	-
April 30, 2014	6,000,000	-
Total	8,000,000	1,150,000

Konnex shall also pay $100,000 to the Company no later than 30 days after the completion of a NI 43-101 compliant pre-feasibility study.

Upon the completion of a NI 43-101 compliant Bankable Feasibility Study ("BFS"), Konnex shall make an additional cash payment of $250,000 per each 100,000,000 pounds of copper reserves as determined by the BFS to the Company no later than 30 days after the completion of the BFS.

Pursuant to the amendments made to the Konnex Agreement to reduce the future option payments, the Company impaired the Empire Mine Property to the net present value of the expected future cash flows and fair value of Boxxer shares of $223,167 and recorded an impairment charge of $715,444 on the property during the year ended November 30, 2013.

Musgrove Creek Property, USA

On June 13, 2007, the Company acquired the Musgrove Creek Property situated in the Cobalt Mining District, Lemhi County, Idaho, USA and under the terms of the option agreement, the Company assumed the underlying lease agreement dated June 12, 2003 with respect to certain mineral claims that comprise the Musgrove Creek Property.

For certain claims' underlying the Musgrove Creek Property, the lease has a 10 year term and can be renewed for two successive terms of 10 years provided that the conditions of the lease are met. The Company is required to pay annual lease payments to the underlying lessor of US$50,000 per year for the remaining life of the lease. These claims are subject to an underlying 2% production royalty and a lump sum payment of US$350,000 upon completion of a feasibility study. The Company is also required to incur minimum annual exploration expenditures of US$100,000 during the term of the lease. Any excess expenditure incurred in previous years may be carried forward and credited to the subsequent years.

On June 6, 2013, the lease agreement was amended as follows:

Annual lease payments	US$
June 12, 2013 (paid)	10,000
December 12, 2013 (paid)	10,000
June 12, 2014	10,000
December 12, 2014	10,000
June 12, 2015	110,000
June 12, 2016 and each year thereafter	50,000

6. Exploration and evaluation assets (continued)

Musgrove Creek Property, USA (continued)

The minimum annual exploration expenditures were also waived for the period of May 1, 2013 to April 30, 2016.

During the year ended November 30, 2013, management assessed that the property was impaired and recorded a $1,740,000 impairment charge on the property.

The Company deposited a reclamation bond of $5,859 (2012 - $5,859) in April 2006.

Charay Property, Mexico

On October 15, 2008, and as amended in May 2011, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in the Charay Property located in Sinaloa, Mexico. The property is subject to a 2% NSR upon commencement of commercial production.

Under the agreement, the Company was required to make the following payments:

- Cash payments in the aggregate amount of $205,000 between October 15, 2008 and September 1, 2012;
- Cash payments in the aggregate amount of US$2,874,500 plus applicable taxes between October 15, 2008 and September 1, 2013;
- Issue 1,000,000 common shares by October 20, 2008; and
- Incur exploration expenditures in the aggregate amount of US$1,075,000 plus applicable taxes by September 1, 2012.

On August 8, 2011, the Company entered into an option agreement (the "Westridge Agreement") with Westridge Resources Inc. ("Westridge") to option Westridge an 80% interest in the Charay property. This agreement was approved by the Exchange on January 26, 2012.

Under the terms of the agreement, Westridge is required to:

- Assume the Company's $258,000 loan payable commencing January 26, 2012 (Note 8);
- Make cash payments in the aggregate of US$2,227,500 plus applicable taxes and pay $140,000 to the Company over the next two years commencing September 1, 2011, representing the option payments due under the Option agreement;
- Make cash payments of $450,000 to the Company over a two year period commencing January 26, 2013;
- Issue a total of 1,200,000 Westridge common shares to the Company over a two year period commencing January 26, 2012; and
- Fund work costs of $500,000 on the property by February 28, 2012.

Westridge will have the right, up to January 26, 2017, to purchase the remaining 20% interest from the Company for $5,000,000.

During the year ended November 30, 2012, the Company received cash proceeds of $784,932 (2011 - $476,609) and 400,000 common shares of Westridge with a fair value of $240,000 from Westridge.

(Expressed in Canadian dollars)

6. Exploration and evaluation assets (continued)

Charay Property, Mexico (continued)

During the year ended November 30, 2012, the Company transferred 100,000 of the Westridge shares to the underlying owners of the property as the Company failed to meet certain cash payments and expenditure requirements during the year. The fair value of the shares was $44,000 and the Company recognized a loss on the disposal of the shares of $16,000.

Subsequent to the year ended November 30, 2012, Westridge cancelled the Westridge Agreement. As a result, the Company decided not to pursue the Charay property. As at November 30, 2012, the Company has fully impaired the Charay Property and recorded an impairment charge of $788,187. The Company and Westridge are not obligated to meet any further future commitments under the Option Agreement and the Westridge Agreement.

Vianey Property, Mexico

On June 7, 2011, the Company signed an agreement with Grand Peak Capital Corp. to dispose the Company's 50% interest in the Vianey mine concession located in Guerrero State, Mexico for $325,000. During the year ended November 30, 2013, the Company received $100,000 (2012 - $125,000) in cash and 200,000 common shares of Grand Peak Capital Corp. with fair value of $100,000 in full settlement of the amount.

A continuity of the net present value of the payment receivable is as follows:

	$
Net present value as at November 30, 2012	187,060
Accretion income	12,940
Payment received	(200,000)
Net present value as at November 30, 2013	-

7. Payables and accrued liabilities

	November 30, 2013	**November 30, 2012**
	$	$
Trade payables	52,804	36,003
Due to related parties (Note 13)	105,235	30,450
Accruals	27,710	18,200
	185,749	84,653

8. Short-term loans

As at November 30, 2013 and 2012, the Company's had loans outstanding of $1,205. These loans are unsecured, have no specified terms of repayment and do not bear interest.

(Expressed in Canadian dollars)

9. Share capital

Authorized

Unlimited number of common shares without par value.

Issued and Outstanding

On May 30, 2012, the Company closed its non-brokered private placement of 1,300,000 units at a price of $0.45 per unit for gross proceeds of $585,000. Each unit is comprised of one common share and one share purchase warrant with each share purchase warrant exercisable to purchase one additional share over a two year period at a price of $0.60 per share; however, if the shares of the Company trade at $1.75 or greater for a period of ten consecutive trading days, the Company may, upon notice to the warrant holders, shorten the exercise period to 30 days from the date of the notice. The fair value of the warrants was estimated to be $208,700.

On February 16, 2012, the Company settled debt of $473,791 by issuing 189,516 common shares with a fair value of $473,790 to the debt holders. No gain or loss was recorded in connection with this settlement.

On March 5, 2014, the Company consolidated its outstanding shares on a five to one basis. All share and per share amounts have been retroactively restated to reflect the stock consolidation.

10. Stock options

The Company has established a stock option plan which provides for the granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. Terms of the options granted are subject to determination and approval by the Board of Directors.

The continuity of the Company's stock option is as follows:

Balance, November 30, 2011	81,510
Expired	(1,260)
Balance, November 30, 2012	80,250
Expired	(70,250)
Balance, November 30, 2013	10,000

As at November 30, 2013 the Company had 10,000 options outstanding and exercisable with an exercise price of $5.00 and a remaining life of 2.28 years.

11. Warrants

A continuity of the Company's outstanding warrants is as follows:

Balance, November 30, 2011	782,507
Issued	1,300,000
Expired	(592,491)
Balance, November 30, 2012	1,490,016
Expired	(190,016)
Balance November 30, 2013	1,300,000

As at November 30, 2013 the Company had 1,300,000 share purchase warrants outstanding and exercisable with an exercise price of $0.60 and a remaining life of 0.44 years.

(Expressed in Canadian dollars)

12. Reserves

Option reserve
The 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 will remain in the account.

Warrant reserve
The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded will remain in the account.

Foreign currency translation reserve
The foreign currency translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

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

13. Related party transactions

	2013	**2012**
	$	$
Directors' fees	-	27,250

Key Personnel Compensation:

	2013	**2012**
	$	$
Consulting fees	172,100	67,500

As at November 30, 2013, $100,000 (2012 - $Nil) was owing to the Chief Executive Officer of the Company, $5,235 (2012 - $3,200) was owing to the Chief Financial Officer of the Company and $Nil (2012 - $27,250) was owing to directors of the Company. The amounts are included in accounts payable (Note 7). The amounts do not bear interest, are unsecured and are due on demand.

14. Gain on debt settlement

During the year ended November 30, 2012, debts of $68,223 were forgiven and the Company recognized a gain of the same amount.

15. Write-off of IVA receivable

During the year ended November 30, 2013, management determined that $13,265 in value added taxes filed by Minerales Jazz would unlikely be collected and wrote off the amount.

16. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash and short-term investment. As all of the Company's cash and term deposit are held with a Canadian chartered bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and its term deposit.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign currency fluctuations is reduced as expenditures incurred in its subsidiaries in the USA and Mexico are generally denominated in the functional currencies of those subsidiaries.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

(Expressed in Canadian dollars)

16. Financial instruments (continued)

Classification of financial instruments

Financial assets of the Company are as follows:

	November 30, 2013	**November 30, 2012**
	$	$
Loans and receivables:		
Cash and cash equivalents	214,475	174,775
Property payment receivable	-	187,060
Available for sale financial assets:		
Marketable securities	150,250	45,000
	364,725	406,835

Financial liabilities of the Company are as follows:

	November 30, 2013	**November 30, 2012**
	$	$
Non-derivative financial liabilities:		
Trade payables	52,804	36,003
Due to related parties	105,235	30,450
Short-term loans	1,205	1,205
	159,244	67,658

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at November 30, 2013 and 2012:

	As at November 30, 2013		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Marketable securities	150,250	-	-

	As at November 30, 2012		
	Level 1	**Level 2**	**Level 3**
	$	$	$
Marketable securities	45,000	-	-

(Expressed in Canadian dollars)

17. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of share and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

18. Segmented information

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

Geographic segments
The following non-current assets are located in the following countries:

	As at November, 2013		
	Canada	**USA**	**Total**
	$	$	$
Equipment	1,056	-	1,056
Exploration and evaluation assets	-	465,253	465,253
Reclamation bond	-	5,859	5,859
	1,056	471,112	472,168

	As at November 30, 2012		
	Canada	**USA**	**Total**
	$	$	$
Equipment	6,926	-	6,926
Exploration and evaluation assets	-	2,915,641	2,915,641
Reclamation bond	-	5,859	5,859
	6,926	2,921,500	2,928,426

19. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2013	2012
	$	$
Net loss	(2,812,248)	(1,223,623)
Statutory tax rate	25%	25%
Expected income tax recovery	(703,062)	(305,906)
Permanent differences	(75,543)	56,873
Change in valuation allowance	996,829	292,723
Effect of change in tax rates	(218,224)	(43,690)
Income tax recovery	-	-

(Expressed in Canadian dollars)

19. Income taxes (continued)

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	2013 $	2012 $
Deferred income tax assets		
Non-capital losses carry-forward	2,339,345	2,222,593
Capital losses carry-forward	50,780	43,350
Equipment	8,505	6,674
Marketable securities	18,094	-
Mineral properties	1,867,141	983,165
Share issue costs	41,575	72,829
	4,325,440	3,328,611
Valuation allowance	(4,325,440)	(3,328,611)
Net deferred income tax assets	-	-

As at November 30, 2013, the Company has Canadian non-capital losses of approximately $9,537,684 which may be applied to reduce Canadian taxable income of future years, which expire as follows:

	$
2014	48,557
2015	505,062
2026	974,623
2027	809,236
2028	1,314,813
2029	1,090,591
2030	2,241,760
2031	1,420,839
2032	644,769
2033	487,434
	9,537,684