STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Financial Statements

April 30, 2014

June 5, 2014

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements of **Stockport Exploration Inc.** are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) *"James Megann"*
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) *"Robert Randall"*
Chief Financial Officer
Halifax, Nova Scotia

STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at April 30, 2014 and October 31, 2013

(expressed in Canadian dollars)

	April 30 2014	October 31 2013
ASSETS	$	$
Current assets		
Cash	80,793	325,610
Restricted cash (note 11)	934,502	897,897
Sales taxes recoverable	9,399	25,530
Prepaid expenses and deposits	17,948	8,871
	1,042,642	1,257,908
Marketable securities	7,000	7,000
Property and equipment (note 6)	18,027	21,262
Resource properties (note 7)	9,040,681	8,893,845
	10,108,350	10,180,015
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	866,957	922,324
Convertible debentures (note 11)	996,127	967,127
	1,863,084	1,889,451
SHAREHOLDERS' EQUITY	8,245,266	8,290,564
	10,108,350	10,180,015

Nature of operations (note 1)
Going concern (note 2)
Contingency (note 15)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors

(s) Wade K. Dawe | *(s) Carl Sheppard*
Wade K. Dawe | **Carl Sheppard**

STOCKPORT EXPLORATION INC.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss
For the three and six-month periods ended April 30, 2014 and 2013

(expressed in Canadian dollars)

	For the Three-Months Ended April 30		For the Six-Months Ended April 30	
	2014	2013	2014	2013
	$	$	$	$
EXPENSES				
Amortization	581	1,406	1,181	2,843
Banking fees	916	264	1,382	580
Finance expense	14,500	-	29,000	-
General and administrative	6,402	10,480	14,219	24,024
Investor relations and marketing	230	1,044	535	6,176
Listing and regulatory costs	13,700	13,046	27,160	21,371
Management salaries and services	65,282	75,914	135,276	141,916
Professional services	4,458	3,978	10,893	16,912
Share-based compensation	12,988	56,524	34,445	91,361
Travel	4,650	5,180	6,889	21,345
LOSS FROM OPERATIONS	123,707	167,836	260,980	326,528
OTHER EXPENSES (INCOME)				
Interest	(260)	-	(260)	-
Gain on settlement of accounts payable	(133,460)	-	(133,460)	-
Foreign exchange	16,071	(6,318)	(33,845)	(3,786)
NET LOSS FOR THE PERIODS	6,058	161,518	93,415	322,742
Unrealized (gain) loss on available-for-sale securities	(2,000)	1,000	-	2,000
COMPREHENSIVE LOSS FOR THE PERIODS	4,058	162,518	93,415	324,742
LOSS PER SHARE - BASIC AND DILUTED	$ 0.000	$ 0.002	$ 0.001	$ 0.004
Weighted Average Number of Common Shares Outstanding				
Basic	80,443,494	77,774,419	80,386,061	76,253,377

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

STOCKPORT EXPLORATION INC.
Unaudited Condensed Interim Consolidated Statements of Changes in Equity
For the periods ended April 30, 2014 and 2013 and October 31, 2013

(expressed in Canadian dollars)

	Number of Shares	Share Capital	Equity portion of convertible debentures	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
		$	$	$	$	$	$	$
Balance at November 1, 2012	74,781,934	21,802,576	-	318,508	4,003,162	(3,000)	(17,981,321)	8,139,925
Net loss for the period	-	-	-	-	-	-	(322,742)	(322,742)
Unrealized loss on marketable securities	-	-	-	-	-	(2,000)	-	(2,000)
Shares issue dpursuant to private placement	5,197,160	519,716	-	-	-	-	-	519,716
Share issue costs	-	(50,043)	-	-	-	-	-	(50,043)
Finders' fees for shares issued	351,406	35,141	-	-	-	-	-	35,141
Share-based compensation	-	-	-	-	100,055	-	-	100,055
Balance at April 30, 2013	80,330,500	22,307,390	-	318,508	4,103,217	(5,000)	(18,304,063)	8,420,052
Net loss for the period	-	-	-	-	-	-	(261,340)	(261,340)
Unrealized loss on marketable securities	-	-	-	-	-	-	-	-
Warrants issued in connection with convertible debentures	-	-	-	30,000	-	-	-	30,000
Equity portion of convertible debentures	-	-	75,000	-	-	-	-	75,000
Expiry of warrants, net of tax impact	-	-	-	(318,508)	273,508	-	-	(45,000)
Share-based compensation	-	-	-	-	71,852	-	-	71,852
Balance at October 31, 2013	80,330,500	22,307,390	75,000	30,000	4,448,577	(5,000)	(18,565,403)	8,290,564
Net loss for the period	-	-	-	-	-		(93,415)	(93,415)
Unrealized loss on marketable securities	-	-	-	-	-	-	-	-
Shares issued as finder's fee	119,720	11,972	-	-	-	-	-	11,972
Share-based compensation	-	-	-	-	36,145	-	-	36,145
Balance at April 30, 2014	80,450,220	22,319,362	75,000	30,000	4,484,722	(5,000)	(18,658,818)	8,245,266

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

STOCKPORT EXPLORATION INC.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the six-month periods ended April 30, 2014 and 2013

(expressed in Canadian dollars)

	For the Six-Months Ended April 30	
	2014	2013
	$	$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss for the periods	(93,415)	(322,742)
Charges to income not involving cash		
Amortization	1,181	2,843
Finance expense	29,000	-
Share-based compensation	34,445	91,361
Gain on settlement of accounts payable	(133,460)	-
	(162,249)	(228,538)
Net change in non-cash working capital balances related to operations		
Increase in sales taxes recoverable	11,321	3,791
Decrease in prepaid expenses and deposits	(9,077)	3,138
Increase (decrease) in accounts payable and accrued liabilities	77,286	(1,467)
Foreign exchange gain on restricted cash	(36,605)	-
	(119,324)	(223,076)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Common shares issued for cash, net of issuance costs	-	504,814
	-	504,814
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Resource property interests and options, net	(130,303)	(318,029)
Sales taxes recoverable related to resource property interests	4,810	(7,973)
Purchases of property and equipment	-	-
	(125,493)	(326,002)
NET CHANGE IN CASH	(244,817)	(44,264)
CASH, beginning of periods	325,610	347,403
CASH, end of periods	80,793	303,139
Non-cash financing activities		
Shares issued as finders' fee	11,972	35,141

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

(expressed in Canadian dollars unless otherwise noted)

1. Nature of operations

These unaudited condensed interim consolidated financial statements include the accounts of Stockport Exploration Inc. (the "Company") and its wholly-owned subsidiaries, 6321593 Canada Inc., Stockport Exploration of Kenya Limited (formerly "Linear Metals Corporation of Kenya Limited"), and Minera Zapoteca, S.A. de C.V.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. To date, the Company has not earned significant revenues. The recoverability of the amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, obtaining necessary financing and permitting to complete the development, and future profitable production or proceeds from the disposition thereof. The Company is incorporated and domiciled in Canada, and its head office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, Canada.

2. Basis of Presentation and Going Concern

<u>Going Concern</u>

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

For the six-month period ended April 30, 2014, the Company incurred a net loss of approximately $0.1 million (year-ended October 31, 2013 - $0.6 million) and had an accumulated deficit of approximately $18.7 million as at April 30, 2014 (year-ended October 31, 2013 - $18.6 million). The Company has no income or cash flow from operations and at April 30, 2014, had a negative working capital balance of approximately $0.8 million, excluding restricted cash (year-ended October 31, 2013 - negative working capital balance of $0.6 million, excluding restricted cash). In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its resource properties, to fund its exploration and development activities and to fund its general and administrative costs. Such material uncertainties cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or the sale of properties. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Statement of Compliance

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 ("CPA Canada Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year-ended October 31, 2013.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of June 5, 2014, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2014 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments recorded at fair value. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is the Canadian dollar. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is also the presentation currency of the Company.

Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Significant Accounting Policies

These financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of the Company for the year-ended October 31, 2013. Refer to note 3, *Significant Accounting Policies*, of the Company's annual consolidated financial statements for the year-ended October 31, 2013 for information on the accounting policies as well as new accounting standards not yet effective.

4. Financial Instruments

The Company recognizes financial instruments based on their classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net income (loss) or comprehensive income (loss).

If a financial instrument is measured at fair value, changes in its fair value shall usually be recognized in net income (loss) in the period in which the change occurs, with some exceptions, such as for cash flow hedges and available-for-sale investments. For investments designated as being available-for-sale, changes in the fair value shall be recorded directly in Shareholders' Equity in a separate account called "Accumulated Other Comprehensive Income (Loss)" until the asset is disposed of or becomes impaired. At that time, the gains and losses are transferred to net income (loss).

The Company has implemented the following classifications:

- Cash and restricted cash are classified as "Loans and Receivables." After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

- Marketable securities are classified as "Available-for-Sale". Financial assets classified as Available-for-Sale are recognized initially at fair values plus transaction costs and are subsequently carried at fair value, with changes in the fair value recorded in other comprehensive income.

- Accounts payable and accrued liabilities are classified as "Other Financial Liabilities." After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

- Embedded derivatives are classified as "Financial Assets or Financial Liabilities at Fair Value through Profit or Loss". The convertible debentures issued on October 31, 2013 included certain embedded derivatives, which are included in convertible debentures on the statement of financial position. After initial recognition at fair value, the embedded derivatives are remeasured each period at fair value with changes in fair value recognized in non-operating income in the consolidated statement of comprehensive loss.

a) Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying values of cash, restricted cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

b) Foreign currency rate risk

A portion of the Company's transactions occur in United States, Mexican and Kenyan currencies; accordingly, the related financial assets are subject to fluctuations in the respective exchange rates.

c) Concentration of credit risk

Management does not believe it is exposed to any significant concentration of credit risk except that a significant portion of its cash and restricted cash are on deposit with major Canadian and Kenyan banks or held in trust by a Kenyan law firm. All of the sales taxes recoverable are with either the government of Canada or the government of Mexico.

d) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

e) Foreign currency risk

The Company is exposed to currency risk on its foreign cash, accounts receivable, restricted cash, accounts payable and accrued liabilities, in addition to its exploration expenditures in Kenya and Mexico.

For the period ended April 30, 2014, the sensitivity of the Company's net income due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the Kenyan shilling) would have impacted net income by $45,833 for a 5% increase or decrease in the Canadian dollar.

5. Capital Management

The Company's capital structure consists of share capital, equity portion of convertible debentures, warrants and contributed surplus, which at April 30, 2014 totalled $26.9 million (year-ended October 31, 2013 - $26.9 million). The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions, and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

6. Property and equipment

	Office equipment	Exploration equipment	Total
	$	$	$
Cost			
Balance at November 1, 2012	83,419	65,473	148,892
Additions	-	258	258
Disposals	(53,242)	(33,795)	(87,037)
Balance at October 31, 2013	30,177	31,936	62,113
Additions	-	-	-
Disposals	-	-	-
Balance at April 30, 2014	30,177	31,936	62,113
Accumulated amortization			
Balance at November 1, 2012	64,206	42,071	106,277
Additions	4,567	5,968	10,535
Disposals	(46,535)	(29,426)	(75,961)
Balance at October 31, 2013	22,238	18,613	40,851
Additions	1,181	2,054	3,235
Disposals	-	-	-
Balance at April 30, 2014	23,419	20,667	44,086
Carrying amounts			
As at October 31, 2013	**7,939**	**13,323**	**21,262**
As at April 30, 2014	**6,758**	**11,269**	**18,027**

During the six-month period ended April 30, 2014, the Company capitalized amortization of $2,054 (year-ended October 31, 2013 - $5,968) to resource properties.

7. Resource properties

The Company's resource properties consist of the following:

	Kenya	Canada		Mexico	
	Nyanza $	KM61 $	Seymour Lake $	La Morena and Other $	Total $
Balance at November 1, 2012	2,653,937	4,008,400	1,127,718	753,572	8,543,627
Additions incurred during the year	247,633	14,734	2,636	85,215	350,218
Balance at October 31, 2013	2,901,570	4,023,134	1,130,354	838,787	8,893,845
Additions incurred during the period	134,711	2,900	-	9,225	146,836
Balance at April 30, 2014	3,036,281	4,026,034	1,130,354	848,012	9,040,681

During the six-month period ended April 30, 2014, the Company capitalized share-based compensation expense of $1,700 (year-ended October 31, 2013 - $12,809) to resource properties.

Kenya

i) Nyanza

The Company has an agreement with East African Pure Gold Limited ("EAPG") and B&M Mining Company Limited ("B&M") to earn an interest in three mineral exploration concessions located in Kenya. Under the terms of the agreement, the Company has:

- A first option to earn a 70% interest on completing exploration expenditures of US $600,000 and making cash payments of US $300,000 to EAPG and B&M by August 2016. The required exploration expenditures have been incurred, and a cash payment of US $3,000 has been made to date.
- A second option to earn an 80% interest by exercising the first option and incurring cumulative exploration expenditures of US $4.0 million.
- Within 90 days of completion of the second option, EAPG and B&M can deliver a one-time joint election to fund its 20% share of exploration costs, or EAPG and B&M can grant the Company a future option to acquire an additional 10% interest by funding additional exploration expenditures of US $10.0 million. The Company will remain the operator on the concessions and is not obligated to incur additional exploration expenditures.
- Within 90 days of completion of a positive feasibility study and receipt of a production notice from the Company for each project, EAPG and B&M can deliver a one-time joint election to fund its 10% or 20% share of the construction costs, or EAPG and B&M can grant the Company a further option to acquire an additional 5% interest by funding additional costs of US $10.0 million. The Company is not obligated to advance a project, covered by a feasibility study, to production.

- The Company maintains a 100% right to any surface mineralization to a depth of one metre below saprolite.

SPL 214, which is part of the Nyanza property, is subject to a 2% net smelter royalty. 1% of the net smelter royalty is payable to African Queen Mines Limited ("AQ"), and 1% is payable to AQ's partner, Abba Mining Company Limited.

Canada

i) KM61

The Company holds a 100% interest in the KM61 property, which is a molybdenum-copper-silver prospect, located in northwestern Ontario, contiguous with the Seymour Lake project. The majority of the KM61 property, including the mineralized zone, is subject to a 0.5% net smelter royalty. Of the remaining claims on the KM61 property, certain portions are subject to a 3% net smelter royalty and the balance are not subject to any royalties. The Company can repurchase 50% of the 0.5% net smelter royalty for $250,000 and/or 50% of the 3% net smelter royalty for $1.0 million.

During the year-ended October 31, 2012, the Company identified various indicators of impairment of the property, including declines in the prices of molybdenum, copper and silver, a lack of recent exploration work with no significant exploration work planned in the foreseeable future, as well as a strategic shift in the Company's exploration focus towards its Kenyan operations. Given the stage of exploration of the property, the estimated fair value of $4.0 million was determined based on a review of comparable sale transactions of resource properties. The resulting impairment charge of $4.4 million was charged to expenses. This write-down was approximately 50% of the carrying value prior to the recorded impairment.

As at April 30, 2014 and at October 31, 2013, the Company determined that there were no indicators of additional impairment or impairment reversals. Management is currently assessing options to fund additional exploration of KM61.

As at April 30, 2014 or October 31, 2013, if it were determined that the estimated fair value of the property should have been 10% higher or lower, this would result in an increase or decrease of the impairment charge by approximately $400,000. The manner and amount of the ultimate realization of the KM61 property remains subject to significant uncertainty.

ii) Seymour Lake

The Company holds a 100% interest in the Seymour Lake property, which is a tantalum-lithium-beryllium prospect located in northwestern Ontario, in the Crescent Lake area of the Thunder Bay Mining District. Certain portions of the Seymour Lake property are subject to a 3% net smelter return royalty, of which 1.5% can be purchased by the Company for $1.0 million.

Mexico

i) La Morena and Other

The Company holds a 100% interest in the La Morena property, located in the state of Coahuila, Mexico. The Company continues to investigate other property opportunities in Mexico.

8. Accounts payable and accrued liabilities

	April 30, 2014	October 31, 2013
	$	$
Trade accounts payable and accrued liabilities	708,117	618,548
Amounts payable to related parties (see note 14)	155,579	296,887
Withholdings and taxes payable	3,261	6,889
	866,957	922,324

9. Capital Stock

a) Authorized

The Company has authorized an unlimited number of common shares without par value.

b) Issued and outstanding

	Six-month period ended April 30, 2014		Year-ended October 31, 2013	
	Number	Amount ($)	Number	Amount ($)
Opening balance	80,330,500	22,307,390	74,781,934	21,802,576
Shares issued pursuant to private placements	-	-	5,197,160	519,716
Shares issued as finders' fees (Note 11)	119,720	11,972	351,406	35,141
	80,450,220	22,319,362	80,330,500	22,357,433
Less: Share issue costs	-	-	-	(50,043)
Closing balance	80,450,220	22,319,362	80,330,500	22,307,390

On March 14, 2013, the Company completed a non-brokered private placement of 5.2 million common shares priced at $0.10 per share, for total gross proceeds of $519,716. In connection with the financing, 351,406 shares of the Company were issued as finders' fees, valued at $35,141. Other share issuance costs to complete the financing were $14,902, consisting of professional fees, regulatory costs, and a 7% finders' fee valued at $1,240. A director of the Company subscribed for 1,004,016 common shares pursuant to the private placement.

On October 31, 2013, the Company completed a private placement of 1,196 units at a price of $1,001 per unit, for gross proceeds of $1,197,196 (see Note 11). Pursuant to this private placement, a finders' fee of 7%, or $83,804, was payable. 3% of the fee is payable in cash, and 4% is payable in shares at a value of $0.10 per share. During the period ended April 30, 2014, the Company issued 119,720 common shares, valued at $11,972, and paid cash of $8,979 to the finders. The remaining balance of cash and shares owing related to the finders' fee has been included in accounts payable and will be paid when the Company proceeds to Phase II of the surface gold recovery program.

10. Stock options

The Company has adopted a stock option plan (the "Plan"), providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than closing share price of the day preceding the date of grant.

During the six-month period ended April 30, 2014, no stock options were granted by the Company. During the year ended October 31, 2013, 1,620,000 stock options were granted to directors and employees of the Company. The estimated fair value of these stock options was estimated at the grant date using the Black-Scholes option pricing model and the following weighted-average assumptions:

	Six-months ended April 30, 2014	Year-ended October 31, 2013
Risk-free rate	N/A	1.17%
Expected volatility of the Company's share price	N/A	156%
Expected dividend yield	N/A	N/A
Expected life of each option	N/A	4.2 years
Weighted average fair value per option		
Exercise price equal to stock price on date of grant	N/A	$0.05
Exercise price exceeds stock price on date of grant	N/A	$0.07

Changes in stock options during the six-month period ended April 30, 2014 and the year-ended October 31, 2013 are summarized as follows:

	Six-month period ended April 30, 2014		Year-ended October 31, 2013	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding - beginning of period	6,490,000	0.17	5,425,000	0.27
Granted	-	-	1,620,000	0.09
Forfeited or expired	-	-	(555,000)	0.95
Outstanding - end of period	6,490,000	0.17	6,490,000	0.17

As at April 30, 2014, the Company had outstanding stock options entitling the holders to acquire additional common shares as follows:

Weighted average exercise price per share ($)	Number of options outstanding	Expiry date	Weighted average remaining contractual life (years)	Number of options exercisable
0.04	50,000	July 23, 2018	4.23	12,500
0.05	50,000	August 20, 2018	4.31	12,500
0.07	150,000	April 12, 2018	3.95	75,000
0.10	700,000	September 30, 2017	3.42	525,000
0.10	1,140,000	January 17, 2018	3.72	570,000
0.10	100,000	January 21, 2018	3.73	50,000
0.10	100,000	March 13, 2018	3.87	50,000
0.14	150,000	August 3, 2015	1.26	150,000
0.15	2,175,000	August 24, 2014	0.32	2,175,000
0.25	700,000	December 1, 2016	2.59	700,000
0.27	250,000	November 8, 2015	1.53	250,000
0.28	200,000	October 21, 2014	0.48	200,000
0.30	725,000	June 7, 2016	2.11	725,000
0.17	6,490,000		2.02	5,495,000

As at April 30, 2014, 1,555,022 options were available for granting under the Plan (October 31, 2013 – 1,543,050).

11. Convertible Debentures

On October 31, 2013, the Company completed a private placement of 1,196 units at a price of $1,001 per unit, for aggregate gross proceeds of $1,197,196. The proceeds of the financing will be used to fund expenditures, including a two-phased exploration and potential surface gold recovery program at the Company's Nyanza Project:

- Phase I - sampling, metallurgy, permitting and plant equipment procurement; and
- Phase II – capital investment and plant operation. At the Company's discretion, it will only proceed with Phase II pending a successful Phase I.

If the Company does not elect to proceed to Phase II, it will convert 25% of the gross proceeds to common shares at a price of $0.10 per share, and $897,897, which is 75% of the gross proceeds, will be repaid to the investors. Until the Company decides to proceed to Phase II, 75% of the gross proceeds, being $897,897, will be held in trust with a Kenyan law firm and the investors are entitled to any interest earned on these funds. As the $897,897 related to Phase II is subject to restrictions as noted above, the amount is reflected as restricted cash on the consolidated statement of financial position. At October 31, 2013, the remaining proceeds of $299,299 were held in trust with the Kenyan law firm but were not subject to restrictions. These funds were transferred to the Company's operating account in early 2014.

If the Company elects to proceed to Phase II, these rights will be forfeited and each investor will be entitled to receive:

- a repayment of the convertible debenture in the amount of 100% of the investment ($1,000 per unit) based on 75% of free cash flow generated from the surface gold recovery project;

- a right to purchase a preferred share in Stockport Mining Kenya ("SMK"), a subsidiary of the Company to be incorporated at the commencement of Phase II. $1 per unit will be allocated to the cost of the preferred share. The preferred share will pay a premium entitlement of 110% of the original investment ($1,100 per unit) from 75% of free cash flow generated from the gold recovery project and is then redeemed by SMK; and

- if the amount of the debenture plus the 110% premium entitlement is not paid within the five year maturity date of October 31, 2018, then the amount of debt and premium entitlement, less any repayments to that date, will be converted into common shares of the Company at a conversion price of $0.50 per share.

Under the terms of this financing, the Company issued 1,000 warrants with each unit. The 1,196,000 warrants are exercisable at the commencement of Phase II at a price of $0.10 per share and expire on October 31, 2018.

The proceeds and issue costs of the convertible debenture financing have been allocated as follows:

	$
Convertible debentures	1,092,196
Equity portion of convertible debentures	75,000
Warrants	30,000
	1,197,196

Convertible debentures	1,092,196
Less issue costs, including legal and listing fees and commissions (3% in cash and 4% in shares)	(125,069)
	967,127
Accretion of finance expense	29,000
	996,127

During the six-month period ended April 30, 2014, the Company paid $8,979 and issued 119,720 common shares of the Company, valued at $11,972, as part of the 7% commissions payable pursuant to the financing.

12. Warrants

Changes in share purchase warrants during the six-month period ended April 30, 2014 and the year-ended October 31, 2013 are summarized as follows:

	Six-month period ended April 30, 2014			Year-ended October 31, 2013		
	Number	Exercise price per warrant ($)	Amount ($)	Number	Exercise price per warrant ($)	Amount ($)
Outstanding - beginning of period	1,196,000	0.10	30,000	3,074,375	0.10	318,508
Warrants issued for cash	-	-	-	1,196,000	0.10	30,000
Warrants expired	-	-	-	(3,074,375)	(0.10)	(318,508)
Outstanding - end of period	1,196,000	0.10	30,000	1,196,000	0.10	30,000

As at April 30, 2014, the Company had 1,196,000 outstanding with a weighted-average exercise price of $0.10 per warrant, expiring October 31, 2018. No warrants were exercisable as at April 30, 2014.

13. Deferred Income Taxes

The following reflects deferred income tax assets (liabilities):

	April 30 2014 $	October 31, 2013 $
Non-capital losses carried forward	248,000	248,000
Deductible share issue costs	54,000	47,000
Accounting value of mineral resource properties in excess of tax value	(327,000)	(327,000)
Tax value of property and equipment and prepaid expenses in excess of accounting value	25,000	32,000
Net deferred future income tax asset (liability) recognized	-	-

The Company also has the following approximate net deferred tax assets, primarily related to foreign operations, which have not been recognized:

	April 30, 2014 $	October 31, 2013 $
Net deferred tax assets - not recognized	2,955,000	2,884,000

14. Related Party Transactions

There were no transactions with related parties outside the normal course of business operations during the period. Amounts payable to officers, directors and companies owned thereby were $155,579 as at April 30, 2014 (October 31, 2013 - $296,887).

During the year-ended October 31, 2013, a director of the Company subscribed for 1,004,016 common shares as part of the non-brokered private placement financing completed by the Company on March 14, 2013.

15. Contingency

The Company has an employment arrangement with the President and CEO of the Company which provides that, should a change in control event occur, the President may elect to terminate his employment with the Company, in which event the Company is required to pay the President a lump sum payment equal to 2.5 times his annual salary. The Company also has a consulting arrangement with the Chairman of the Company which provides that, should a change in control event occur, the Chairman may elect to terminate his arrangement with the Company, in which event the Company is required to pay the Chairman a lump sum payment equal to 2.0 times his annual remuneration. The payment of these change in control settlements would be subject to the Company maintaining an average market capitalization in excess of CDN $25 million, based on any 10-day volume weighted trading price within the three-month period following the effective date of the change in control.

16. Segmented Information

The Company conducts mineral operations in Canada, Mexico and Kenya and is searching for mineral exploration opportunities worldwide. Since the Company is in the exploration stage, there is no segmented revenue or operating results to report. The Company's total assets are segmented geographically as follows:

					April 30, 2014
		Mineral Operations			
	Corporate Canada	Canada	Mexico	Kenya	Total
	$	$	$	$	$
Current assets	88,939	-	13,834	939,869	1,042,642
Marketable securities	7,000	-	-	-	7,000
Property and equipment	6,758	196	-	11,073	18,027
Resource properties	-	5,156,388	848,012	3,036,281	9,040,681
	102,697	5,156,584	861,846	3,987,223	10,108,350

					October 31, 2013
		Mineral Operations			
	Corporate Canada	**Canada**	**Mexico**	**Kenya**	**Total**
	$	**$**	**$**	**$**	**$**
Current assets	37,063	-	21,037	1,199,808	1,257,908
Marketable securities	7,000	-	-	-	7,000
Property and equipment	7,939	231	-	13,092	21,262
Resource properties	-	5,153,488	838,787	2,901,570	8,893,845
	52,002	5,153,719	859,824	4,114,470	10,180,015