COPPER REEF MINING CORPORATION

CONDENSED, INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED MAY 31, 2014AND 2013

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The accompanying unaudited, condensed interim financial statements of Copper Reef Mining Corp. for the three months ended May 31, 2014 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. The accompanying unaudited, condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Copper Reef Mining Corporation
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	May 31, 2014 $	November 30, 2013 $
Assets			
Current assets			
Cash		**97,612**	46,493
Marketable securities	4	**665,018**	722,000
Amounts receivable	5	**9,260**	6,176
Total current assets		**771,890**	774,669
Non-current assets			
Equipment	6	**3,550**	4,178
Evaluation and exploration assets	7	**8,799,658**	8,699,727
Total Assets		**9,575,098**	9,478,574
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	**96,934**	99,010
Due to Shareholder		**27,000**	–
Flow-through premium liability	9(b)	**1,348,000**	1,348,000
Total current liabilities		**1,471,934**	1,447,010
Total Liabilities		**1,471,934**	
Shareholders' equity			
Share capital	9(a),(b)	**13,234,876**	13,020,375
Stock option reserve	9(c)	**472,637**	472,637
Warrant reserve	9(d)	**16,000**	26,250
Deficit		**(5,620,349)**	(5,487,698)
Total Shareholders' Equity		**8,103,164**	8,031,564
Total Liabilities and Shareholders' Equity		**9,575,098**	9,478,574

Commitments and contingencies (Note 11)

Approved on behalf of the Board of Directors

"Stephen L. Masson" ***"Dave Kendall"***

Chief Executive Officer & Director **CFO**

Copper Reef Mining Corporation
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	Three Months Ended May 31 **2014** **$'s**	2013 $'s	Six Months Ended May 31 **2014** **$'s**	2013 $'s
Expenses					
Amortization	6	**313**	447	**627**	895
General and administrative		**70,511**	81,307	**107,184**	139,598
Investor relations		**2,096**	2,976	**5,045**	5,763
Generative exploration		**52,665**	55,468	**95,678**	116,170
Share based payment	9(c)	**–**	–	**–**	138,775
Total expenses		**125,585**	140,198	**208,533**	401,201
Other Income/(loss)					
Unrealized (loss) on marketable securities	4	**(405,578)**	(742,000)	**34,422**	(1,026,000)
Realized gain from sale of marketable securities	4	**15,210**	–	**15,210**	–
Proceeds from optioning property	7	**–**	–	**–**	3,000
Total other (loss)		**(390,368)**	(742,000)	**49,632**	(1,023,000)
(Loss) before income taxes		**(515,953)**	(882,198)	**(158,901)**	(1,424,201)
Deferred Income tax recovery		**–**	–	**–**	–
		(515,953)	(882,198)	**(158,901)**	(1,424,201)
Net Income/(loss) and comprehensive (loss) for period		**(515,953)**	(882,198)	**(158,901)**	(1,424,201)
Income/(Loss) per share, basic and diluted		**(0.004)**	(0.008)	**(0.001)**	(0.013)
Weighted average shares outstanding, basic and diluted		**115,281,300**	110,471,300	**114,266,959**	109,179,633

Copper Reef Mining Corporation
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Number of Shares	Amount	Stock Option Reserve	Warrant Reserve	Deficit	Total Shareholders' Equity
		#	$	$	$	$	$
Balance as at November 30, 2012		**106,721,300**	**12,821,625**	**353,800**	**16,042**	**(3,435,819)**	**9,755,648**
Units issued for cash, private placement	9(b)	3,750,000	280,000	–	–	–	280,000
Fair value of warrants issued		–	(26,250)	–	26,250	–	–
Flow through share premium		–	(55,000)	–	–	–	(55,000)
Warrants expired		–	–	–	(16,042)	16,042	–
Options cancelled		–	–	(20,363)	–	20,363	–
Options issued		–	–	139,200	–	–	139,200
Net loss and comprehensive loss for the year		–	–	–	–	(2,088,284)	(2,088,284)
Balance as at November 30, 2013		**110,471,300**	**13,020,375**	**472,637**	**26,250**	**(5,487,698)**	**8,031,564**
Shares issued for cash, private placement		4,310,000	215,501	–	–	–	215,501
Shares issued under property purchase agreement		500,000	15,000	–	–	–	30,000
Fair value of warrants issued		–	(16,000)	–	16,000	–	–
Warrants expired		–	–	–	(26,250)	26,250	–
Net loss and comprehensive loss for the period		–	–	–	–	(158,901)	(158,901)
Balance as at May 31, 2014		**115,281,300**	**13,234,876**	**472,637**	**16,000**	**(5,620,349)**	**8,103,164**

Copper Reef Mining Corporation
Statements of Cash Flows
(Expressed in Canadian Dollars)

		Three Months Ended May 31		Six Months Ended May 31	
		2014	2013	**2014**	2013
		$'s	$'s	**$'s**	$'s
	Notes	**$'s**	**$'s**	**$'s**	**$'s**
Cash Flows from Operating Activities					
Net profit/(loss) for the year		**(515,953)**	(882,199)	**(158,901)**	(1,424,208)
Unrealised loss on marketable security		**405,578**	742,000	**(34,422)**	1,026,000
Shares received from optioning property		**–**	–	**–**	(3,000)
Amortisation		**314**	447	**627**	895
Share based payment		**–**	–	**–**	138,775
Decrease/(increase) in amounts receivable		**(3,502)**	(696)	**(3,083)**	2,327
Increase/(decrease) in flow through premium liability		**–**	–	**–**	55,000
Increase/(decrease) in accounts payable and accrued liabilities		**(31,226)**	2,918	**(28,718)**	13,733
Cash used in operating activities		**(144,789)**	(137,530)	**(224,498)**	(190,478)
Cash Flows from Financing Activities					
Proceeds from share and warrant issuance		**–**	–	**215,501**	225,000
Loans by shareholder		**27,000**	–	**27,000**	–
Cash provided from financing activities		**27,000**	**–**	**242,501**	**225,000**
Cash Flows from Investing Activities					
Sale of securities		**91,404**	–	**91,404**	–
Exploration and evaluation expenditures		**(21,344)**	(92,891)	**(58,289)**	(116,978)
MEAP rebates received		**–**	–	**–**	–
Cash (used in) investing activities		70,060	(92,891)	**33,115**	(116,978)
Increase/(Decrease) in cash		**(47,729)**	(230,421)	**51,118**	(82,456)
Cash, beginning of period		**145,340**	535,600	**46,493**	387,635
Cash, end of period		**97,611**	305,179	**97,611**	305,179

Supplemental Information	**2014**	**2013**	**2014**	**2013**
	$'S	**$'S**	**$'S**	**$'S**
Change in accrued exploration expenditures	**(26,642)**	14,153	**(26,642)**	14,153
Shares issued for evaluation and exploration assets	**15,000**	–	**15,000**	–

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Copper Reef Mining Corporation (the “Company” or “Copper Reef”) was incorporated under the laws of the Province of Manitoba by Letters Patent of Incorporation dated March 27, 1973 as "Copper Reef Mines (1973) Limited", as amended by Articles of Amendment dated January 18, 2005, and Articles of Amendment dated September 8, 2006, changing the corporate name to "Copper Reef Mining Corporation". The registered and head office of the Company is located at 6 Mitchell Road, Flin Flon, Manitoba R8A 1N1.

The shares of the Company are listed on the CDNX Exchange under the symbol “CZC”. The Company is engaged in the identification, acquisition and exploration of mineral properties in Canada, with present activities concentrated in the provinces of Manitoba and Saskatchewan.

The financial statements of Copper Reef for the quarter ended May 31, 2014 were reviewed by the Audit Committee and approved and authorized by the Board of Directors on April 25, 2014.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of evaluation and exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title August be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements. These financial statements have been prepared on the assumption that the Company and its subsidiaries 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. Different bases of measurement August be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at May 31, 2014, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred a loss of $110,374 before an unrealized loss on investments during the quarter ended May 31, 2014, and had an accumulated deficit of $5,620,349 as at May 31, 2014. 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 there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with funds currently on hand and through the raising of equity, and expects that its current capital resources will be sufficient to carry out its exploration plans and operations for the coming twelve months.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company’s most recent audited annual financial statements for the year ended November 30, 2012. These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. Accordingly these unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended November 30, 2013.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended November 30, 2013, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements (“IAS 1”)
- IAS 27 Separate Financial Statements (“IAS 27”)
- IAS 28 Investments in Associates and Joint Ventures (“IAS 28”)
- IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)
- IFRS 10 Unaudited interim condensed consolidated financial statements (“IFRS 10”)
- IFRS 11 Joint Arrangements (“IFRS 11”)
- IFRS 12 Disclosure of Interests In Other Entities (“IFRS 12”)
- IFRS 13 Fair Value Measurement (“IFRS 13”)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (“IFRIC 20”)

The accounting standards and amendments to standards adopted by the Company that had an impact on financial results or require further explanation are explained as follows:

IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of the new standard did not have significant impacts to the consolidated statement of loss and comprehensive loss.

IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate financial statements. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IFRS 7 was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. Disclosures required under IFRS 7 have been included in Note 16.

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of Standing Interpretations Committee Standard (“SICs”) 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. In accordance with the transitional provisions of IFRS 10, the Company re-assessed the control conclusion for its investees at January 1, 2013. The Company made no changes as a result of this process in the current or comparative period.

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previously jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment’s opening balance is tested for impairment in accordance with IAS 28 Investments in Associates and IAS 36 Impairments of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IFRS 12 Disclosure of Interests In Other Entities (“IFRS 12”) requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Disclosures arising from the adoption of IFRS 12 did not have significant impacts to the notes of the consolidated financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. TDisclosures arising from the adoption of IFRS 12 did not have significant impacts to the notes of the consolidated financial statements.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") was issued by the IASB in October 2011. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after March 31, 2013 or later periods. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impacts.

IAS 32 Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014 with earlier adoption permitted.

IFRS 9 Financial Instruments ("IFRS 9") was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A new number of IFRS standards, and amendments to standards and interpretations, are not yet effective for the period ended May 31, 2014, and have not been applied in preparing these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements of the Company.

(Expressed in Canadian Dollars) May 31, 2014

4. Marketable Securities

The Company's marketable securities consist of the following:

	Security Issuer				
	Foran Mining Corp		**Jaxon Minerals Inc.**		
	Securities	**Value**	**Securities**	**Value**	**Total Value**
November 30, 2013	4,000,000	720,000	20,000	2,000	722,000
Securities sold	(507,800)	(91,404)			(91,404)
Subtotal - May 31, 2014	3,492,200	628,596	20,000	2,000	630,596
Book Value May 31, 2014		663,518		1,500	665,018
Unrealized Gain/(Loss)		34,922		(500)	34,422

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5. Amounts Receivable

The Company's amounts receivable are broken down as follows:

	February 28, 2014	November 30 2013
	$	$
Goods and services tax receivable	**5,605**	6,176
Amount receivable from sale of securities	**3,655**	
Total	**9,260**	6,176

6. Equipment

	Cost	**Accumulated Amortization**	**May 31, 2014 Net Book Value**	November 30, 2013 Net Book Value
	$	**$**	**$**	**$**
Vehicles	**10,031**	**6,481**	**3,550**	4,178

7. Evaluation and Exploration Assets

The Company holds interests in 40 mineral properties, with 38 held by way of mineral claims and two by mineral leases, all located in Saskatchewan and Manitoba. Twenty-five of the properties are consolidated into eight groups and the remaining fifteen are presently considered individual properties. The properties are held by way of mineral claims and mining leases.

A continuity schedule of the capitalized expenditures allocated to individual major properties and summarized for minor properties is shown overleaf:

Notes to Condensed, Interim Financial Statements (Expressed in Canadian Dollars) May 31, 2014

	Total	Mink Narrows Group	Gold Rock Group	Smelter Group	Hanson Lake	Alberts Group	Morgan Group	Kiss/ Kississing	Otter/ Twin Lakes	Pikoo	Others
Balance, Nov 30, 2012	**8,535,588**	**2,447,960**	**1,513,195**	**1,603,555**	**1,679,343**	**525,362**	**329,453**	**173,387**	**137,256**	**–**	**126,077**
Claim acquisition & holding	**6,123**	140	1,200	180	195	777	600	272	48	**–**	2,711
Assay	**8,094**	–	–	–	–	–	–	–	8,094	**–**	–
Line Cutting	**19,850**	–	–	–	–	–	–	–	19,850	**–**	–
Field labour costs	**77,513**	2,138	475	975	–	16,275	1,425	–	54,800	**–**	1,425
Other fields costs	**24,932**	–	–	65	–	5,707	–	–	17,660	**–**	1,500
Diamond drilling	**27,627**	–	–	–	–	–	–	–	27,627	**–**	–
Total Q2 YTD 2013 expenditures	**164,139**	**2,278**	**1,675**	**1,220**	**195**	**22,759**	**2,025**	**272**	**28,079**	**–**	**5,636**
Subtotal	**8,699,727**	**2,450,238**	**1,514,870**	**1,604,775**	**1,679,538**	**548,121**	**331,478**	**173,659**	**265,335**	**–**	**131,713**
MEARA Rebates	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance, November 30, 2013	**8,699,727**	**2,450,238**	**1,514,870**	**1,604,775**	**1,679,538**	**548,121**	**331,478**	**173,659**	**265,335**	**–**	**131,713**
Claim acquisition & holding costs	**73,900**	65	–	–	–	754	7,328	–	52	65,050	651
Assay	**–**	–	–	–	–	–	–	–	–	–	–
Geological	**516**	–	93	–	–	–	–	–	423	–	–
Field labour costs	**21,613**	–	8,075	–	–	6,650	–	–	1,663	4,513	713
Other fields costs	**3,901**	–	–	–	–	302	2,550	–	265	785	–
Total 2014 Q2 expenditures	**99,930**	**65**	**8,168**	**–**	**–**	**7,706**	**9,878**	**–**	**2,402**	**70,347**	**1,364**
MEARA Rebates	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance, May 31, 2014	**8,799,657**	**2,450,303**	**1,523,038**	**1,604,775**	**1,679,538**	**555,827**	**341,356**	**173,659**	**267,738**	**70,347**	**133,077**

(Expressed in Canadian Dollars) May 31, 2014

7. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Royalty repurchases

During the year ended November 30, 2012, the Company negotiated the purchase of three royalties, two of which were against sixteen properties and one against eleven properties. Two of the royalties were Net Smelter Returns ("NSR") and one a Net Profits Interest ("NPI"). The purchases are summarized as follows:

Royalty holder	No. of Properties	Type of Royalty	%	Cash paid	Shares issued	Share hold period
Vista Gold Corp.	16	NSR	2%	$ 100,000	1,000,000	3 years to June 26, 2015
A.L. Parres Ltd.	15	NSR	1%	50,000	250,000	issued
Thundermin Resources Inc.	16	NPI	6%	35,000	750,000	3 years to August 15, 2015
Totals	**20**			**$ 185,000**	**2,000,000**	

Mink Narrows Group, Manitoba

The Mink Narrows Group includes the Mink Narrows, Mystic and Payuk mineral properties. The claims are 100% owned by the Company.

Gold Rock Group, Manitoba

The Gold Rock Group includes the Gold Rock, North Star and Star mineral properties, the North Star mining lease and the Gold Rock mining lease. The North Star mineral property and mining lease are subject to 2% NSR payable to Al Basham.

The Gold Rock Mining Lease is 100% owned by the Company, subject to a 2% NSR payable to Dean Smith. In addition Mr. Smith retains a 25% NPI in the first 25 feet below surface of vein material as currently documented.

Also included in the Gold Rock Group is the Murr claim, also owned 100% by the Company, subject to a 1% NSR.

Smelter Property, Manitoba

The Smelter Property is comprised of three contiguous claims covering 276 hectares, which are 100% owned by the Company.

7. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Hanson Lake, Saskatchewan

The Hanson Lake Property consists of a single claim located in the Hanson Lake area of Saskatchewan. It is 100% owned by the Company.

Alberts Lake Group, Manitoba

The Alberts Lake Group includes the Alberts Lake, Lew, Leo Lake, Amulet, Mike, Mur and Hanna mineral properties. With the exception of the Mike 1 (15% Net Profits Interest) and Mur 6 (2% Net Smelter Returns royalty, all claims are 100% owned by the Company.

Morgan Group, Manitoba

The Morgan Group includes the Morgan, Bruce Morgan, Woo and Woosey mineral properties. The Morgan claims are 100% owned, subject to a 10% NPI to Bruce Dunlop with an advance royalty payment of $150,000 upon the making of a Bruce Morgan Property production decision by the Company. The Woo and Woosey claims are 100% owned with no underlying royalties or charges.

Kississing/Kiss Group, Manitoba

The Kississing/Kiss Group includes the Kississing and Kiss mineral properties. The claims are 100% owned by the Company.

Otter Group, Manitoba

The Otter Group includes the Otter Lake and Twin Lakes mineral properties. The claims are 100% owned by the Company subject to a 1% NSR on the Otter Lake claims.

Pikoo

On January 23, 2014, the Company entered a Property Purchase Agreement ("Agreement") with CanAlaska Uranium Ltd. for the acquisition of two claim units located in Saskatchewan. In order to complete the purchase, the Company is required to pay $50,000 cash (paid), issue two tranches of shares each of 500,000 on or before February 15, 2014 (issued) and by January 31, 2015 and complete $50,000 of qualified exploration work by December 31, 2014 and a further $50,000 by December 31, 2015.

Other Individual Claims

The Company also holds title to fifteen additional properties, ten of which do not carry any capitalized costs. The remaining properties are the Cook Lake, Hamell Lake, Jewel Box and Radar Properties. The Hamell Lake property is 100% owned subject to a 1% NSR.

(Expressed in Canadian Dollars) May 31, 2014

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	May 31, 2014	November 30, 2013
	$	$
Trade payables and accrued liabilities	**74,793**	86,063
Due to related parties (Note 10)	**25,143**	12,947
Total	**99,936**	99,010

9. SHARE CAPITAL

a) AUTHORISED SHARE CAPITAL

Unlimited number of common shares without par value

b) ISSUED SHARE CAPITAL

As at May 31, 2014, the Company had 115,281,300 issued and fully paid common shares (November 30, 2013 – 110,471,300).

i) In December, 2012, the Company completed a non-brokered private placement of 3,750,000 units for gross proceeds of $280,000 of which 1,000,000 units were comprised of one common share and one common share purchase warrant and were sold for $0.06 per unit. The balance of 2,750,000 units were comprised of one flow-through share and one flow-through common share purchase warrant and were sold for $0.08 per unit. The Company is committed to incur prior to December 31, 2012, on a best efforts basis, $220,000 in qualifying exploration expenditures pursuant to this private placement. A director and officer of the Company subscribed for 2,250,000 flow-through units. A family member of the same director and officer subscribed for 500,000 flow-through units. Each whole warrant is exercisable into one flow-through common share of the Company at a price of $0.15 per flow-through share until December 29, 2013 for the non-flow-through unit warrants and January 1, 2014 for the flow-through unit warrants.

   The Company is committed to incur prior to December 31, 2013, on a best efforts basis, $220,000 in qualifying CEE pursuant to this private placement.

ii) On December 31, 2013, pursuant to a 4,310,000 unit, non-brokered private placement comprised of 3,310,000 flow-through common shares and 1,000,000 non-flow-through units, announced October 4, 2013, the Company issued 3,310,000 flow-through common shares at $0.05 per share for gross proceeds of $165,500.

   A director and officer of the Company subscribed for 1,250,000 flow-through common shares. A director of the Company subscribed for 100,000 flow-through common shares. An officer of the Company subscribed for 300,000 flow-through shares. A former director of the Company subscribed for 100,000 flow-through common shares. Family members of directors and officers subscribed for 660,000 flow-through common shares.

(Expressed in Canadian Dollars) May 31, 2014

The Company is committed to incur prior to December 31, 2014, on a best efforts basis, $165,500 in qualifying CEE pursuant to this private placement.

iii) On January 24, 2014, pursuant to the placement announced October 4, 2013, the Company issued 1,000,000 units at $0.05 per unit for gross proceeds of $50,000. Each unit is comprised of one common share and one common share purchase warrant. The warrants are exercisable at $0.10 per common share and expire January 23, 2016.

iv) On January 24, 2014, pursuant to a property purchase agreement described in Section 7 the company issued 500,000 common shares at a deemed fair value o $0.03 per share.

c) INCENTIVE STOCK OPTIONS

Pursuant to the Company's stock option plan (the "Plan"), the Company August grant to its employees, officers, directors and consultants, options to purchase common shares of the Company at a fixed price as determined by the board of directors. The options vest in accordance with the terms of their granting and have a maximum term of five years. The common shares reserved for issuance under the Plan will not exceed, in aggregate, 10% of the Company's common shares issued and outstanding at the time of grant.

No stock options were granted during the year ended November 30, 2013. The following tables summarize the Company's stock option transactions during the years ended November 30, 2011 and 2012:

Grant Date	Number of Options	Weighted Average Exercise Price $	Estimated Grant Date Fair Value $
Balance, November 30, 2011 and 2012	**5,095,000**	**0.10**	**353,800**
Granted January 25, 2013	2,275,000	0.10	109,200
Cancelled August 31, 2013	(300,000)	0.10	(20,363)
Issued September 27, 2013	1,000,000	0.10	30,000
Balance, November 30, 2013 and May 31, 2014	**8,070,000**	**0.10**	**472,637**

All options vest immediately and their fair values are expensed to stock-based compensation and reflected as Stock Option Reserve. Fair values are estimated using the Black-Scholes valuation model with the following assumptions:

i) 2,275,000 options granted during the year ended November 30, 2013 had a grant date fair value of $109,200 based on risk-free interest rate – 2.20%; expected volatility – 202%; expected dividend yield – 0%; and expected life – 5 years.

Of these options, 1,900,000 were issued to directors and officers with a total grant date fair value of $91,200.

ii) 1,000,000 options granted during the year ended November 30, 2013 had a grant date fair value of $30,000 based on risk-free interest rate – 2.01%; expected volatility – 198%; expected dividend yield – 0%; and expected life – 5 years.

(Expressed in Canadian Dollars) May 31, 2014

As at November 30, 2013 and February 28, 2013, the following options were outstanding:

Grant Date	Number of Outstanding Options	Expiry Date	Remaining Contractual Life (in Years)
May 25, 2010	3,020,000	May 24, 2015	0.99
April 27, 2011	200,000	April 27, 2016	1.88
June 16, 2011	1,575,000	June 15, 2016	2.04
January 25, 2013	2,275,000	January 24, 2018	3.65
September 27, 2013	1,000,000	September 26, 2018	4.30
	8,070,000		**2.39**

d) WARRANTS

The following table summarizes a continuity of outstanding warrants:

	Issued	Expiry Date	Weighted Average Exercise Price $	Remaining Contractual Life (in Years)	Estimated Grant Date Fair Value $
Balance, November 30, 2012	**291,667**	**June 9, 2013**	**0.12**	**0.52**	**16,042**
Expired	(291,667)				(16,042)
Issued - Flow Through (Note 9(b))	1,000,000	Dec. 29, 2013	0.15	0.08	7,000
Issued - Flow Through (Note 9(b))	2,750,000	Jan. 1, 2014	0.15	0.08	19,250
Balance November 30, 2013	**3,750,000**		**0.15**	**0.08**	**26,250**
Expired	(1,000,000)				(7,000)
Expired	(2,750,000)				(19,250)
Issued, January 24, 2014	1,000,000	Jan. 23, 2016	0.10	1.65	16,000
Balance May 31, 2014	**1,000,000**		**0.10**	**1.65**	**16,000**

The weighted average grant date fair value of the warrants issued during the year ended November 30, 2013 of $0.01 (2012 - $0.06) was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2013	2012
Expected dividend yield	0%	0%
Expected volatility	101%	115%
Risk free interest rate	1.14%	0.92%
Life (years)	1.0	1.5

(Expressed in Canadian Dollars) May 31, 2014

10. Related Party Transactions and Balances

a) Related party balances

		May 31, 2014		November 30, 2013	
Related party	**Purpose**	**Amounts charged during the year**	**Amounts payable or accrued at year-end**	Amount Charged during the year	Amounts payable or accrued at year-end
Corporation controlled by a director	Management fees	–	–	33,000	–
	Expenses	–	–	1,626	–
Corporation controlled by an officer	Filing fees	–	–	25,800	–
	expenses	–	–	4,500	–
Corporation controlled by a director	Chief Financial Officer	–	–	–	–
Accounting firm of which an Officer of the Company is a partner	Professional fees	–	–	43,860	7,500
Corporation controlled by a Director and significant shareholder	Management fees, Director	**52,000**	–	116,000	–
	Management fees, other	–	–	–	–
	Exploration	**66,333**	**25,143**	151,278	5,447
	Office, rent and general expenses	**64,285**	–	106,209	–
Totals		**182,618**	**38,795**	482,273	12,947

During the year ended November 30, 2013, the Company recorded director's fees of $nil (2012 - $nil).

The accounts payable and accrued liabilities to related parties are unsecured and non-interest bearing with no fixed terms of repayment.

b) Share subscriptions

See Note 9(b) for a description of related party share subscriptions.

11. COMMITMENTS AND CONTINGENCIES

a) COMMITMENTS

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010 with M'Ore and the President and significant shareholder of M'Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M'Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement is for a period of two years ended December 31, 2012 and can be renewed thereafter at the end of every 12 months.

Due to the difficulties in raising non-flow through capital, the Company and M'Ore mutually agreed to allow the agreement to lapse as at December 31, 2013, with re-instatement on similar terms deferred until current fund raising efforts have been completed.

Assuming the agreement is renewed it is anticipated that the basic terms would be unchanged. This would result in management fees and salaries incurred by M'Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various equipment if utilized by the Company.

b) CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

c) FLOW-THROUGH EXPENDITURES

During the year ended November 30, 2013, the Company renounced Canadian exploration expenditures in the aggregate amount of $220,000 (2012 -$3,457,300) related to proceeds from the issuance of flow-through shares pursuant to the financings described in Note 9(b) and has incurred these qualifying Canadian exploration expenditures as at November 30, 2012. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

12. SEGMENTED INFORMATION

All of the Company's assets, liabilities and operations are domiciled in Canada.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash and cash equivalents. There were no changes to the Company policy for capital management during the three months ended May 31, 2014. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company August issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations. The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months. However, additional funding will be required to meet any new operational commitments if further drilling programs are to be carried out.