Red Ore Gold Inc.

Audited Consolidated Financial Statements

April 30, 2013
(Expressed in Canadian dollars)

Red Ore Gold Inc.

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JAMES STAFFORD

James Stafford, Inc.
Chartered Accountants
Suite 350 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Telephone +1 604 669 0711
Facsimile +1 604 669 0754
www.JamesStafford.ca

Independent Auditor's Report

To the Shareholders of Red Ore Gold Inc.

We have audited the accompanying consolidated financial statements of **Red Ore Gold Inc.** which comprise the consolidated statements of financial position as at 30 April 2013 and 2012 and the consolidated statements of loss and comprehensive loss, changes in shareholder's deficiency 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 we have obtained 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 Red Ore Gold Inc. as at 30 April 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Red Ore Gold Inc. to continue as a going concern.

Chartered Accountants
Vancouver, Canada
22 August 2013

MANAGEMENT’S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of Red Ore Gold Inc. are the responsibility of the Board of Directors.

The audited consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to these consolidated financial statements. Where necessary management has made informed judgements and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the audited annual consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Established processes are in place to provide management with sufficient knowledge to support it in its representations in exercising reasonable diligence that:

i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by, the consolidated financial statements, and:

ii) the consolidated financial statements fairly present, in all material respects the financial condition, results of operations and cash flows of the Company as at the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited annual consolidated financial statements together with other financial information of the Company for issuance to shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

signed "Larry Hoover"
Larry Hoover
Chief Executive Officer
Ottawa, Ontario
August 22, 2013

signed "Sabino Di Paola"
Sabino Di Paola
Chief Financial Officer

Red Ore Gold Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	**As at April 30 2013**	As at April 30 2012
		$	$
Assets			
Current assets:			
Cash	5	**8,636**	127,347
Accounts receivable	6	**-**	37,969
Prepaid expenses		**8,047**	6,962
Total current assets		**16,683**	172,278
Reclamation bond	8	**5,062**	18,567
Total non-current assets		**5,062**	18,567
Total assets		**21,745**	190,845
Liabilities and shareholders' deficiency			
Current liabilities:			
Accounts payable and accrued liabilities	9,14	**453,261**	300,665
Current portion of convertible debenture	10	**1,554**	-
Due to related party	14	**-**	224,984
Total current liabilities		**454,815**	525,649
Convertible debenture	10	**157,868**	-
Total liabilities		**612,683**	525,649
Shareholders' deficiency			
Share capital	11	**1,349,942**	1,212,942
Contributed surplus		**211,703**	181,560
Accumulated other comprehensive loss		**-**	(12,402)
Accumulated deficit		**(2,152,583)**	(1,724,300)
Equity attributable to the owners of the Company		**(590,938)**	(342,200)
Non-controlling interest in subsidiary	4	**-**	7,396
Total shareholders' deficiency		**(590,938)**	(334,804)
Total liabilities and shareholders' deficiency		**21,745**	190,845

Nature of Operations and Going Concern (Note 1)
Contingencies and Commitments (Note 19)
Subsequent Events (Note 22)

Approved by the Board of Directors:

signed "Larry Hoover" — Director

Signed “Patricia Purdy” — Director

The notes to the audited consolidated financial statements are an integral part of these consolidated financial statements.

Red Ore Gold Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	**Year ended 30 April 2013**	Year ended 30 April 2012
		$	$
Expenses			
Management and directors fees	14	**22,000**	77,000
Promotion and investor conference		**32,860**	82,293
Regulatory, exchange, AGM, press release and transfer agent fees		**11,154**	25,137
Professional fees		**182,385**	462,289
Exploration and evaluation expenditures	7	**126,368**	420,249
Compensation shares		**-**	30,000
Accretion expense	10	**4,248**	-
General and administrative	13	**66,813**	222,001
Net loss before other items		**(445,828)**	(1,318,969)
Other items			
Finance costs	10	**(17,549)**	(1,508)
Foreign exchange gain (loss)		**(377)**	1,577
Loss on deconsolidation	2, 4	**(21,016)**	-
Other income	10, 14	**55,719**	12,045
		16,777	12,114
Net loss for the year		**(429,051)**	(1,306,855)
Other comprehensive gain (loss)			
Foreign currency translation adjustment		**20,670**	(22,830)
Total comprehensive loss for the year		**(408,381)**	**(1,329,685)**
Net loss attributable to:			
Owners of the Company		**(428,283)**	(1,246,365)
Non-controlling interest		**(768)**	(60,490)
		(429,051)	(1,306,855)
Total comprehensive loss attributable to:			
Owners of the Company		**(415,881)**	(1,260,063)
Non-controlling interest		**7,500**	(69,622)
Total comprehensive loss		**(408,381)**	(1,329,685)
Loss per share			
Loss per common share: Basic and diluted	16	**(0.02)**	(0.09)
Weighted average number of common shares outstanding: Basic and diluted		**19,101,035**	13,360,679

The notes to the audited consolidated financial statements are an integral part of these consolidated financial statements.

Red Ore Gold Inc.

Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Equity attributable to parent							Non-controlling interest				TOTAL
	Number of common shares outstanding	Share Capital	Reserve for shares to be issued	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total	Total shareholders' equity (deficiency)
Balance at January 13, 2011	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss for the period	-	-	-	-	-	(477,935)	(477,935)	-	-	(43,281)	(43,281)	(521,216)
Cumulative translation adjustment	-	-	-	-	1,296	-	1,296	-	864	-	864	2,160
Share issued upon incorporation	1	1	-	-	-	-	1	-	-	-	-	1
Share capital issued	8,838,938	12,541	-	-	-	-	12,541	-	-	-	-	12,541
Shares to be issued	-	-	542,500	-	-	-	542,500	-	-	-	-	542,500
Additional contribution by non-controlling interest	-	-	-	-	-	-	-	27,529	-	-	27,529	27,529
Balance at April 30, 2011	**8,838,939**	**$ 12,542**	**$ 542,500**	**$ -**	**$ 1,296**	**$ (477,935)**	**$ 78,403**	**$ 27,529**	**$ 864**	**$ (43,281)**	**$ (14,888)**	**$ 63,515**
Loss for theperiod	-	-	-	-	-	(1,246,365)	(1,246,365)	-	-	(60,490)	(60,490)	(1,306,855)
Cumulative translation adjustment	-	-	-	-	(13,698)	-	(13,698)	-	(9,132)	-	(9,132)	(22,830)
Share capital issued for cash	8,255,000	1,115,350	-	-	-	-	1,115,350	-	-	-	-	1,115,350
Share capital issued for property	200,000	20,000	-	-	-	-	20,000	-	-	-	-	20,000
Share capital issued for settlement of debt	1,150,000	115,000	-	-	-	-	115,000	-	-	-	-	115,000
Shares to be issued	-	-	(542,500)	-	-	-	(542,500)	-	-	-	-	(542,500)
Share issue costs	-	(49,950)	-	-	-	-	(49,950)	-	-	-	-	(49,950)
Stock options granted	-	-	-	127,505	-	-	127,505	-	-	-	-	127,505
Revaluation of non-controlling interest	-	-	-	54,055	-	-	54,055	(54,055)			(54,055)	-
Additional contribution by non-controlling interest	-	-	-	-	-	-	-	145961			145,961	145,961
							-					
Balance at April 30, 2012	**18,443,939**	**$ 1,212,942**	**$ -**	**$ 181,560**	**$ (12,402)**	**$ (1,724,300)**	**$ (342,200)**	**$ 119,435**	**$ (8,268)**	**$ (103,771)**	**$ 7,396**	**$ (334,804)**
Loss for the year	-	-	-	-	-	(428,283)	(428,283)	-	-	(768)	(768)	(429,051)
Cumulative translation adjustment	-	-	-	-	29	-	29	-	19	-	19	48
Derecognition of AOCI from deconsolidation	-	-	-	-	12,373	-	12,373	-	8249	-	8,249	20,622
Derecognition of NCI from deconsolidation	-	-	-	-	-	-	-	(122,494)	-	104,539	(17,955)	(17,955)
Share capital issued for cash	1,320,000	132,000	-	-	-	-	132,000	-	-	-	-	132,000
Shares issued for property	50,000	5,000	-	-	-	-	5,000	-	-	-	-	5,000
Revaluation of non-controlling interest	-	-	-	(1,102)	-	-	(1,102)	1,102	-	-	1,102	-
Additional contribution by non-controlling interest	-	-	-	-	-	-	-	1,957	-	-	1,957	1,957
Equity component of convertible debt	-	-	-	31,245	-	-	31,245	-	-	-	-	31,245
Balance at April 30, 2013	**19,813,939**	**$ 1,349,942**	**$ -**	**$ 211,703**	**$ -**	**$ (2,152,583)**	**$ (590,938)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (590,938)**

The notes to the audited consolidated financial statements are an integral part of these consolidated financial statements.

Red Ore Gold Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended April 30 2013 $	Year ended April 30 2012 $
Cash flows from operating activities		
Net loss for the year	**(429,051)**	(1,306,855)
Adjustments to reconcile loss to net cash used in operating activities:		
Finance cost	**-**	1,508
Common shares issued for land management fees	**5,000**	20,000
Common shares issued as compensation	**-**	30,000
Share-based payments	**-**	127,505
Loss on deconsolidation	**21,016**	-
Other income	**(38,631)**	-
Accretion expense	**4,248**	-
Change in non-cash working capital balances:		
Accounts receivable	**25,924**	(20,354)
Prepaid expenses	**(1,085)**	(6,601)
Reclamation bond	**(5,131)**	(720)
Accounts payable and accrued liabilities	**167,665**	86,148
Total cash outflows from operating activities	**(250,045)**	(1,069,369)
Cash flows from investing activities		
De-recognition of cash	**(2,671)**	-
Total cash outflows from investing activities	**(2,671)**	-
Cash flows from financing activities		
Proceeds from share issuance	**132,000**	657,850
Share issue costs	**-**	(49,950)
Due to related party	**-**	10,112
Contributions by non-controlling interest	**1,957**	145,961
Finance cost	**-**	(1,508)
Total cash inflows from financing activities	**133,957**	762,465
Effect of foreign exchange on cash	**48**	(22,830)
Total decrease in cash during the year	**(118,711)**	(329,734)
Cash and cash equivalents - Beginning of year	**127,347**	457,081
Cash and cash equivalents - End of the year	**8,636**	127,347

Supplemental cash flow information (Note 20)

The notes to the audited consolidated financial statements are an integral part of these consolidated financial statements.

1. Nature of operations

Red Ore Gold Inc. (the "Company" or “Red Ore”) was incorporated under the name “Red Ore Gold Inc.” under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

On March 25, 2011, Galahad Metals Inc. (“Galahad”), a related party, received board of director approval to transfer all of its 60% ownership of Bottle Creek Exploration LLC (“BCE”), which was incorporated in the State of Nevada, to the Company in exchange for 8,838,938 common shares. Under the terms of the transaction, the Company acquired the 60% ownership interest in BCE (Note 4).

On August 10, 2012, BCE was dissolved. Upon dissolution, all assets and liabilities of BCE were transferred into the name of Golden Gryphon USA, Inc. (“Golden”), with the Company retaining its 60% interest in the Bottle Creek exploration claims only (Notes 4 and 7).

The Company is made up of an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties in the United States. At the date of these consolidated financial statements, the Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company has a wholly owned subsidiary, Red Ore Gold NV Inc. (“RNV”), which was incorporated under the laws of the State of Nevada by Articles of Incorporation on November 15, 2011.

As at April 30, 2013, neither Red Ore nor RNV has common shares which were listed on any exchange. The primary office of the Company is located at 3643 Marine Drive, West Vancouver, British Columbia, V7V 1N3, with the operating office located at 205-2742 St Joseph Blvd, Orleans, Ontario, Canada, K1C 1T1.

Going concern

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entities ability to continue as a going concern.

- The Company has not generated income or cash flows from its operations. For the year ended April 30, 2013, the Company incurred a loss of $408,381 (2012 - $1,329,685) and, as of that date, the Company’s accumulated deficit was $2,152,583 (2012 - $1,724,300);
- As at April 30, 2013, the Company has a negative working capital of $438,132 (2012 - $353,371) and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months;
- The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing until such time as it can establish and sustain operations; and
- The Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves.

As at April 30, 2013, the Company had cash of $8,636, an amount essentially sufficient to cover the Company’s minimum operating cost for a period of approximately three months of operations. On July 9, 2013, the Company completed a private placement for gross proceeds of $20,000 (Note 22).

The Company’s solvency, ability to meet its liabilities as they become due and to continue its operations, is currently essentially solely dependent on funding provided by one investor. If the investor is unwilling to provide ongoing funding to the Company and/or if the Company is unable to raise additional capital in the immediate future, the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures or cease operations. This material uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern including adjustments related to employee severance pay and other costs related to ceasing operations.

2. Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 17, and are presented in Canadian dollars except where otherwise indicated.

For the year ended April 30, 2013, the deconsolidation of BCE resulted in a loss on derecognition of assets and liabilities of $21,016 for the year summarized as follows (Note 4):

Cash and cash equivalents	$	2,671
Reclamation bond		18,636
Accounts payable and accrued liabilities		(2,958)
Non-controlling interest and other		2,667
Total	$	21,016

Statement of compliance

These consolidated financial statements of the Company and its subsidiaries, including comparatives, have been prepared in accordance with IFRS as issued by IASB and International Accounting Standards ("IAS") issued by IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

The preparation of the consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

These consolidated annual financial statements were authorized for issuance by the Board of Directors on August 22, 2013.

Basis of consolidation

The Company's consolidated financial statements consolidate those of Red Ore and its subsidiary RNV as at April 30, 2013. RNV has a reporting date of April 30. BCE was dissolved on August 10, 2012. Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

During the year ended April 30, 2013, the Company recorded a loss of $21,016 as a result of the derecognition of the assets and liabilities of BCE at their carrying amounts (Note 4).

The financial statements of the subsidiaries are prepared using consistent accounting policies and accounting periods as the parent. All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

The subsidiaries are fully consolidated from the date of acquisition, that being the date on which Red Ore obtains control and continues to be consolidated until the date that such control ceases.

The following entities are included in these consolidated financial statements:

		Ownership Interest as at	
	Country of Incorporation	April 30 2013	April 30 2012
Red Ore Gold NV Inc.	USA	100%	100%
Bottle Creek Exploration LLC	USA	0%	60%

Red Ore Gold NV Inc. ("RNV")

On November 15, 2011, Red Ore incorporated a wholly owned subsidiary, RNV, to hold the exploration claims previously held in Red Ore. RNV was incorporated under the laws of the State of Nevada with share capital of 1,000 at a value of $0.01 per share.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

The functional currency and reporting currency of Red Ore is the Canadian dollar. BCE has a functional currency of US dollars and all the other subsidiaries have a functional currency of Canadian dollars. These consolidated financial statements have been translated into the Canadian dollar in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e., the average rate for the period).

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from the item are considered to form part of the net investment in a foreign operation and are recognized in Other Comprehensive Income ("OCI").

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reallocated between controlling and non-controlling interests.

Cash

Cash in the consolidated statement of financial position comprises of cash held at banks. The Company's cash is invested with major financial institutions in business accounts. The Company does not invest in any asset-backed deposits/investments.

Exploration and evaluation expenditures

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral reserves and resources and includes costs such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration and evaluation expenditures for each area of interest are expensed in the year in which they are incurred.

Purchased exploration and evaluation assets are expensed at their cost of acquisition or at fair value if purchased as part of a business combination.

Impairment

Mining property assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company measures, presents and discloses any resulting impairment loss in the consolidated statement of comprehensive loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognized as income immediately.

Reclamation bonds

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds.

Mining properties/options agreements

From time-to-time the Company may acquire or dispose of mining properties pursuant to the terms of options agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded in the consolidated statement of financial position. Option payment are recorded as mining properties costs or recoveries when the payments are made or received and may be subsequently expensed in accordance with the Company's exploration and evaluation policy.

Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company did not have any provisions as at April 30, 2013 and 2012.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Warrants

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated entirely to the common shares.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

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

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Earnings/loss per share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. The Company's financial assets include cash and accounts receivable.

All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement such financial assets are subsequently measured at amortized cost using the effective interest rate method less impairment. Amortized cost is accounted by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs.

b) Available for sale investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; and
- The Company has transferred its rights to receive cash flows from the asset or has assumed the obligation to pay the received cash flows in full without material delay to a third party under "pass-through" arrangement; and either, a) the company has transferred substantially all of the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement and has neither transferred nor retained substantially all of the risks or rewards of the asset, nor has it transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement with the asset.

In that case, the Company will also recognize an associated financial liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indicators that the debtor is experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganizations and where observable data indicates that there is a measurable decrease in the estimated cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets which are individually significant, or collectively for financial assets which are not individually significant. Assets which are individually assessed for impairment for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of the estimated cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or decreased by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive loss.

Financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and convertible debenture. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable and accrued liabilities represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deductions for transaction costs.

For financial instruments not traded in an active market the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arms length market transactions, reference to the current fair value of a similar instrument, discounted cash flow analysis or other valuation model.

Segment reporting

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition of exploration and evaluation activities.

Standards, Amendments and Interpretations Not Yet Effective

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended April 30, 2013:

- IFRS 9 'Financial Instruments' is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

- IFRS 10 'Consolidated Financial Statements' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and SIC-12.

- IFRS 11 'Joint Arrangements' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces IAS 31 and SIC-13.

- IFRS 12 'Disclosure of Interests in Other Entities' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

- IFRS 13 'Fair Value Measurement' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces fair value measurement guidance in other IFRSs.

- IAS 1 (Amendment) 'Presentation of Financial Statements' is effective for annual periods beginning on or after 1 January 2013, and includes amendments regarding presentation of items of other comprehensive income and clarification of the requirements for comparative information.

- IAS 19 (Amendment) 'Employee Benefits' is effective for annual periods beginning on or after 1 January 2013 and revises recognition and measurement of post-employment benefits.

- IAS 27 (Amendment) 'Separate Financial Statements' is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28 (Amendment) 'Investments in Associates and Joint Ventures' is effective for annual periods beginning on or after 1 January 2013 that 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 32 (Amendment) 'Financial Instruments: Presentation' is effective for annual periods beginning on or after 1 January 2014 and 1 January 2013 that includes amendments that clarify the application of offsetting requirements and presentation of interest, dividends, losses and gains.

- IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine' is a new interpretation effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting for stripping costs in the production phase of a surface mine.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

1) Rehabilitation provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

As at April 30, 2013 and 2012, the Company has not provided for any rehabilitation costs.

2) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3) Income Taxes

The Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

As at April 30, 2013 and 2012, the Company did not recognize deferred tax assets on the basis that it is more likely than not that the deferred tax assets will not be realized.

4) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. There were no share based payments issued in the year ended April 30, 2013.

4. Bottle Creek Exploration LLC ("BCE")

Acquisition

On March 25, 2011, Galahad received board of director approval to transfer all of its 60% ownership of BCE to the Company in exchange for 8,838,938 common shares of the Company. Under the terms of the transaction, the Company acquired 60% the ownership interest in BCE. The transaction was accounted for as an acquisition of net assets in accordance with IFRS and not a business combination under IFRS 3, Business Combinations.

The carrying value of the consideration transferred in connection with the acquisition and the assets and liabilities recognized as a result of the acquisition are listed in the table below. The carrying value of the assets and liabilities acquired is based on the financial statements of BCE as at March 25, 2011.

Net assets acquired:

Cash	$ 23,372
Other current assets	952
Reclamation bond	18,450
Assumed liabilities	(21,872)
Non-controlling interest	(8,361)
Carrying value of net assets acquired	$ 12,541

The carrying value of the net assets acquired has been capitalized to the shareholders' equity of the Company as the value of the 8,838,938 shares issued to Galahad in the amount of $12,541.

Non-controlling interest

Non-controlling interest represents the interest of BCE, based on investment amounts adjusted for its proportionate share of income or losses since the date of the acquisition, as follows:

	April 30, 2013	April 30 2012
Non-controlling interest, beginning of the year	$ 7,396	$ (14,888)
Capital contributions by non-controlling interest	1,957	145,961
Share of cumulative translation adjustment	19	(9,132)
Share of losses in BCE	(768)	(60,490)
Revaluation of non-controlling interest	1,102	(54,055)
Dissolution of BCE	(9,706)	-
Non-controlling interest, end of the year	**$ -**	**$ 7,396**

On April 25, 2012, the manager of BCE, returned US$73,000 to Golden, as a repayment of prior capital contributions. Golden requested and received the refund of capital contributions due to the fact that Red Ore was unable to fund its 60% share of 2011 cash calls.

As at August 10, 2012, a revaluation of $52,953 (April 30, 2012 - $54,055) has been recognized related to restoring the aggregate ownership capital contributed by the Company and Golden to 60/40 per the agreement as a reduction in non-controlling interest and a corresponding increase in contributed surplus.

On August 10, 2012, BCE was dissolved. Upon dissolution, all assets and liabilities were transferred into the name of Golden, with the Company retaining its 60% interest in the Bottle Creek exploration claims only. Upon dissolution, the Company recorded a loss of $21,016 as a result of the derecognition of the assets and liabilities of Bottle Creek Exploration Ltd. at their carrying amounts as follows (expressed in Canadian dollars) (Note 2):

	August 10, 2012
	$
Net assets of discontinued operations	18,349
Derecognition of NCI	(9,706)
Derecognition of AOCI	12,373
Loss on de-recognition	21,016

Statement of Financial Position of BCE as at August 10, 2012 (dissolution date), the date of deconsolidation, expressed in US dollars:

	August 10, 2012
Assets	**US$**
Current assets:	
Cash	2,694
Non-current assets:	
Environmental bond	18,794
Assets of discontinued operations	**21,488**
Liabilities	
Current liabilities:	
Trade and other payables	2,983
Liabilities of discontinued operations	**2,983**
Net assets of discontinued operations	**18,505**

Statement of loss of BCE for the period from May 1, 2012 to August 10, 2012 (dissolution date), the date of deconsolidation, expressed in US dollars:

Expenses	**From the period from May 1, 2012 to August 10, 2012**
	US$
Professional fees	867
Exploration and evaluation expenditures	984
Bank charges and interest	47
Net loss for the period	(1,898)
Loss attributable to Red Ore	(1,139)

Statement of cash flows of BCE for the period from May 1, 2012 to August 10, 2012 (dissolution date), the date of deconsolidation, expressed in US dollars:

	From the period from May 1, 2012 to August 10, 2012
Cash flows from operating activities	**US$**
Net loss for the period	(1,898)
Change in non-cash working capital balances:	
Accounts payable and accrued liabilities	(3,154)
Total cash outflows from operating activities	**(5,052)**
Cash flows from financing activities	
Capital contributions	1,914
Total cash inflows from financing activities	**1,914**
Total decrease in cash during the period	**(3,138)**
Cash and cash equivalents – Beginning of period	**5,832**
Cash and cash equivalents – End of period	**2,694**

(Expressed in Canadian Dollars)

5. Cash position

	April 30, 2013	April 30, 2012
Cash	**$ 8,636**	$ 121,586
Cash to be used in the Bottle Creek exploration	**-**	5,761
Total Cash	**$ 8,636**	**$ 127,347**

Cash earns interest at floating rates based on the daily bank deposit rates. As at April 30, 2013, US$818 (April 30, 2012 - US$56,076) was included in the cash of the Company. This amount has been translated into Canadian dollars at using the closing exchange rate on April 30, 2013. At April 30, 2013, $Nil (2012 - $5,761) was held by BCE to be used towards the advancement of exploration and evaluation of the Bottle Creek property.

6. Accounts receivable

	April 30, 2013	April 30, 2012
Sales tax receivable (Note 20)	$ -	$ 37,959
Other receivables	-	10
Total accounts receivable	**$ -**	**$ 37,969**

Accounts receivable are non-interest bearing and are generally on 30-90 day terms.

During the year ended April 30, 2013, the Company wrote off accounts receivable balances in the amount of $12,045 (2012 - $Nil) related primarily to input tax credits that were not claimable (Note 20).

7. Exploration and evaluation properties

Bottle Creek

During the year ended April 30, 2013, the Company incurred exploration and evaluation expenditures of $6,384 (2012 - $171,031) on this project, prior to the dissolution of BCE. As at April 30, 2013, no commercially viable mineral reserve has been found on this project and as a result the Company has expensed all of the exploration and evaluation expenditures. The Company is currently in the process of completing a private placement and plans to continue exploration on this project with a drill program once the funds have been received.

Upon the dissolution of BCE, all assets and liabilities were transferred in the name of Golden, with the Company retaining its 60% interest in the exploration claims only (Note 4).

On September 5, 2012, the Company had received notice from Golden that Red Ore was delinquent on the cash calls made and as a result would see its ownership diluted. As at April 30, 2013, Red Ore has not yet received notice of the percentage of dilution in its interest in Bottle Creek exploration claims (Note 19).

Ryepatch

On April 20, 2011, the Company announced that it has signed a Letter of Intent (“LOI”) with Gold Range Company LLC (“GRC”) to explore and develop their Ryepatch gold-silver-tungsten-antimony property in Pershing County, Nevada.

The Ryepatch property, comprised of 75 unpatented lode claims and one patented lode claim, covers approximately 1,500 acres and 2.5 miles of prospective strike length over the productive Humboldt Thrust Fault.

On August 17, 2011, the Company entered into a definitive Option Lease Agreement with GRC.

The terms of the definitive Option Lease Agreement are:

1) The Company will make a US$10,000 payment upon signing the Letter of Intent (paid);
2) The Company will make a US$10,000 payment upon signing the option lease agreement (paid);
3) The Company will make a US$20,000 payment on the 1st anniversary of signing the lease option agreement (unpaid and accrued in accounts payable as at April 30, 2013);
4) The Company will make a US$30,000 payment on the 2nd anniversary of signing the lease option agreement (unpaid);
5) The Company will make a US$50,000 payment on the 3rd anniversary of signing the lease option agreement;
6) The Company will make a US$100,000 payment on the 4th anniversary of signing the lease option agreement; and
7) The Company will make a US$200,000 payment on the 5th anniversary of signing the lease option agreement and thereafter for a total of 20 years renewable in 20 year increments.

The advance royalty payments shall be deductible from future production royalties.

GRC retains a 5% NSR which shall be subject to a buy-down clause in favour of Red Ore to 3% NSR for US$3,000,000 and to an additional buy-down to 1.5% NSR for an additional amount of US$3,000,000. The advance production royalty payments shall be deductible from future production royalties. There are no work commitments in the deal.

During the year ended April 30, 2013, the Company incurred exploration and evaluation expenditures of $119,984 (2012 - $123,902) on this project. As at April 30, 2013, no commercially viable mineral reserve has been found on this project and as a result the Company has expensed the exploration and evaluation expenditures. The Company plans to continue preliminary exploration and develop a 2014 spring exploration program.

As at April 30, 2013 and subsequent to the year ended April 30, 2013, the Company was in default on certain obligations related to the Ryepatch property (Notes 9 and 19).

Pogonip

On May 16, 2011, the Board of Directors approved a Letter of Intent with GRC for exploration and development rights to the Pogonip Ridge mineral property in the State of Nevada. The Pogonip Ridge is comprised of 17 patented lodge claims and 58 unpatented mining claims covering approximately 1,800 acres of Nevada's prolific Battle Mountain-Eureka Trend.

On August 17, 2011, the Company entered into a definitive Option Lease Agreement with GRC. The agreement on the Pogonip property has 58 unpatented lode claims, 16 patented lode claims and one patented mill site, comprised of approximately 725 hectares covering a 3 km strike length of highly favourable prospective geology.

On October 13, 2011, the Company announced the staking of 86 additional unpatented lode mining claims in north-central Nevada covering a total of 1,777 acres (719 hectares) strategically located between Ely Gold's and Solitario's Mt. Hamilton Gold-Silver Project and their own Pogonip Ridge Silver-Gold Property. This more than doubles the size of the Red Ore's property to 3,120 acres (1,262 hectares).

The terms of the definitive Option Lease Agreement were:

1) The Company would make a US$5,000 payment upon signing the Letter of Intent (non-refundable) (paid);
2) The Company would make a US$15,000 payment upon signing an option lease agreement (paid);
3) The Company would make a US$20,000 payment on the 1st anniversary of signing the lease option agreement (waived);
4) The Company would make a US$30,000 payment on the 2nd anniversary of signing the lease option agreement (waived);
5) The Company would make a US$50,000 payment on the 3rd anniversary of signing the lease option agreement (agreement terminated);
6) The Company would make a US$100,000 payment on the 4th anniversary of signing the lease option agreement (agreement terminated); and
7) The Company would make a US$200,000 payment on the 5th anniversary of signing the lease option agreement and thereafter for a total of 20 years (agreement terminated).

The advance royalty payments would be deductible from future production royalties.

GRC had reserved a 4% NSR on all materials produced or sold from the property. The Company had a right to "buy-down" the NSR for US$1,000,000 per point or pro-rata portion thereof to a minimum NSR of 1.5%. There were no work commitments in the deal.

(Expressed in Canadian Dollars)

During the year ended April 30, 2013, the Company incurred annual exploration and evaluation expenditures of $Nil (2012 - $118,733) on this project. As at April 30, 2013, no commercially viable mineral reserve has been found on this project and as a result the Company has expensed the exploration and evaluation expenditures.

During the year ended April 30, 2013, the Company became in default on certain obligations related to the Pogonip property.

On March 28, 2013, the Company signed a memorandum of Mining Lease Agreement Termination and Release relating to the Pogonip Property. The Company had surrendered 100% of its interest in the Pogonip Property to GRC. In return, GRC had waived the $20,000 and $30,000 which were due on the first and second anniversary dates.

General exploration

During the year ended April 30, 2013, the Company incurred cumulative exploration and evaluation expenditures of $Nil (2012 – $6,583) on general exploration. General exploration is primarily due diligence performed on properties which the Company is in the process of acquiring or which the management of the Company has decided not to further pursue past the initial due diligence. These costs are expensed in the period in which they are incurred and are assigned to a property only if the Company proceeds to acquire the exploration rights to the property. As at April 30, 2012, the Company decided not to further pursue these properties.

8. Reclamation bond

On February 4, 2011, BCE remitted a bond in the amount of US$18,794 to the Bureau of Land Management ("BLM") in the United States. The bond was required in order to obtain the right for disturbance of public land in Nevada at seventeen drill locations identified by the Company. The bond does not relieve the Company of the potential environmental liabilities for improper disposal of hazardous waste, unauthorized disposal of debris, the spilling of oil, noxious fluids and chemicals on the ground. Once the drill program is completed and the status of the site reviewed by the BLM, the Company is eligible to recover all or part of the bond remitted dependant on the existing condition of the drill site.

On August 10, 2012, BCE was dissolved and all assets and liabilities including the reclamation bond were transferred to Golden (Note 4).

On February 21, 2013, RNV, a 100% owned subsidiary of the Company, remitted a bond in the amount of US$5,062 to the BLM in the United States. The bond was required in order to obtain the right for disturbance of public land in Nevada related to the Ryepatch project. The bond does not relieve the Company of the potential environmental liabilities for improper disposal of hazardous waste, unauthorized disposal of debris, the spilling of oil, noxious fluids and chemicals on the ground. Once the drill program is completed and the status of the site reviewed by the BLM, the Company is eligible to recover all or part of the bond remitted dependent on the existing condition of the drill site.

9. Accounts payable and accrued liabilities

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

	As at April 30, 2013	As at April 30, 2012
	$	$
Accounts payable	**396,188**	245,485
Accrued liabilities	**57,000**	55,180
Goods and Services Tax/Harmonized Sales Tax payable	**73**	-
Total accounts payable and accrued liabilities	**453,261**	300,665

(Expressed in Canadian Dollars)

Accounts payable and accrued liabilities aged analysis:

	Accounts payable and accrued liabilities as at April 30, 2013	Accounts payable and accrued liabilities as at April 30, 2012
Not more than 3 months	$ 62,150	$ 140,025
More than 3 months but not more than 6 months	44,223	33,897
More than 6 months but not more than 1 year	125,063	126,482
More than 1 year	221,825	261
Total	**$ 453,261**	$ 300,665

Terms and conditions of the above financial liabilities:

1) Accounts payable and accrued liabilities are non-interest bearing and are normally settled on 30 to 180 day terms;
2) Included in accounts payable and accrued liabilities are $39,712 (2012 - $13,149) due to related parties. These amounts are non-interest bearing, unsecured and due on demand (Note 14).
3) Included in accounts payable and accrued liabilities as at April 30, 2013 are $28,000 (2012 - $10,000) accrued to Directors and Officers as retainers (Note 14).
4) Included in accounts payable and accrued liabilities is $20,000 related to the Ryepatch property agreement (Notes 7 and 19).
5) During the year ended April 30, 2013, the Company wrote off accounts payable balances in the amount of $50,676 (2012 - $Nil) related primarily to its prior business that had remained unpaid for several years and were settled with creditors as at April 30, 2013 (Note 20).

On May 14, 2013, the Company settled an outstanding payables with a creditor, in which the Company made a payment of $2,341 in exchange for the $23,414 owing to them (Note 22).

On August 13, 2013, the Company settled outstanding payables of $297,493 for cash payments of $2,500, issuance of 250,000 common shares at $0.10 per common share, and an ongoing debt obligation of $22,500 (Note 22).

10. Convertible debenture

On May 30, 2012, the Board of Directors of the Company and Galahad approved the issuance of a convertible, unsecured debenture with the principal amount of $186,419 to settle amounts payable to Galahad of $186,419. The debenture bears interest at the rate of 10% per annum, with interest payable annually on May 30 of each year, and has a maturity date of May 30, 2017 (the “Maturity Date”). The debenture is convertible into common shares at the holder's option at any time after May 30, 2014 until the Maturity Date at a conversion price equal to $0.50 per share, adjusted for share consolidations, splits and other transactions affecting the common shares of the Company subsequent to the issuance date of the debenture. Interest is payable annually on May 30 of each year in cash or common shares of Red Ore at its sole discretion based on the closing price of the shares the day prior to the interest payment date, and if the shares are not listed at a price determined, by the board of directors of Red Ore, which represents the fair market value of the shares (Note 14).

Upon issuance of the debenture, the liability component of the convertible debenture was recognized initially at the fair value of a similar liability that does not have an equity conversion option. The fair value of the conversion feature was determined at the time of issuance as the difference between the principal value of the convertible debenture and the present value of contractually determined stream of future cash flows discounted at the rate of interest of 15% based on the estimated rate for debt with comparable terms, but without the conversion option.

The liability component of the convertible debenture was valued at $155,174 using an implicit rate of 15%. The difference between the principal value of the debt and the fair value of the liability component of $31,245 has been recorded as equity upon initial recognition. The discount on the debenture is being accreted such that the liability at maturity will equal the face value of $186,419 (Note 17).

As at April 30, 2013, the Company accrued $17,088 of interest on the convertible debenture, which was subsequently waived by Galahad, effective April 30, 2013 (Notes 14, 20 and 22).

(Expressed in Canadian Dollars)

The allocation of the liability and equity components of convertible debt at issuance are as follows:

		May 30, 2012
Long-term liability, net of transaction costs	$	155,174
Equity component - conversion option, net of transaction costs		31,245
Face value	$	186,419

The following table sets forth a reconciliation of the convertible debenture as at April 30, 2013:

	Face Value	Debt Component	Equity Component
	$	$	$
Balance at May 30, 2012 (date of issuance)	186,419	155,174	31,245
Accrued interest*	-	-	-
Accretion on convertible debenture	-	4,248	-
Balance at April 30, 2013	**186,419**	**159,422**	**31,245**
Current portion of convertible debenture		(1,554)	-
Long term portion of convertible debenture		**157,868**	**31,245**

*Subsequent to the year ended April 30, 2013, the $17,088 of accrued interest on the convertible debt was waived. The accrued interest has been credited to other income as at April 30, 2013 (Note 22).

11. Share capital and reserves

a) Common shares

The Company is authorized to issue an unlimited number of common shares with no par value, issuable in series.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At April 30, 2013, the Company has 19,813,939 (2012 - 18,443,939) common shares issued and outstanding.

(Expressed in Canadian Dollars)

Share held in internal escrow

As of April 30, 2013, the number of common shares held in internal escrow is 6,609,088. These shares have been included in the issued and outstanding shares and will be released from escrow as per the vesting schedule:

On the date the Company's securities are listed on a Canadian exchange (the listing date) (660,909 common shares)	10% of the escrow securities
6 months after the listing date (991,363 common shares)	15% of the escrow securities
12 months after the listing date (991,363 common shares)	15% of the escrow securities
18 months after the listing date (991,363 common shares)	15% of the escrow securities
24 months after the listing date (991,363 common shares)	15% of the escrow securities
30 months after the listing date (991,363 common shares)	15% of the escrow securities
36 months after the listing date (991,364 common shares)	The remaining escrow securities

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares with the rights, privileges and restrictions determined by the Board of Directors at the time of issuance.

There were no issuances of preferred shares during the years ended April 30, 2013 and April 30, 2012.

As at April 30, 2013, the Company has no preferred shares outstanding (2012 – Nil).

c) Share issuances

2013

On September 21, 2012, the Company issued 120,000 units to investors at a price of $0.10 per unit for gross proceeds of $12,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share expiring on September 21, 2014.

On October 24, 2012, the Board of Directors of the Company extended the expiry date from April 30, 2013 to April 30, 2014 for 1,870,000 share purchase warrants (the "Warrants") issued on July 31, 2011.

On October 9, 2012, the Company issued 550,000 units to investors at a price of $0.10 per unit for gross proceeds of $55,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share expiring on October 9, 2014.

On November 21, 2012, the Company issued 50,000 common shares with a deemed value of $0.10 per share as payment on the land management agreement for the Ryepatch property (Notes 14 and 20).

On November 21, 2012, the Company issued 550,000 units to investors at a price of $0.10 per unit for gross proceeds of $55,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share expiring on November 21, 2014.

On March 18, 2013, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share exercisable with the warrants expiring on March 18, 2015.

2012

On May 5, 2011, the Company issued 935,000 units to investors at a price of $0.50 per unit for gross proceeds of $467,500 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.75 per common share exercisable on or before January 31, 2013.

On June 13, 2011, after consultation through PI Financial ("PI") with respect to pricing of the common shares to be issued in connection with the Red Ore's proposed Initial Public Offering ("IPO"), the Board of Directors passed a resolution to effectively reduce the price of the April private placement from $0.50 per unit to $0.25 per unit and to amend the warrant exercise price to $0.40 per common share, down from $0.75 per common share. To give effect to the foregoing dilution, as of July 31, 2011, the Board of Directors has approved the issuance of doubling the amount of compensation shares and the issuance of rights to the investors who participated in the Red Ore's initial private placement which closed on May 5, 2011. The rights offering will allow investors to subscribe for an additional 935,000 units at a price of $0.01 per unit. In connection with this rights offering, the warrants previously issued to the investors will be amended to increase the number of warrants granted to equal the total number of common shares subscribed for by such investors and to reduce the exercise price to $0.40. A total of 935,000 warrants were issued in the May 5, 2011, private placement with an exercise price of $0.75 per share. As a result of the adjustment the Company will recall the outstanding warrants and issue 1,870,000 warrants with an exercise price of $0.40 per common share and exercisable on or before April 30, 2013. The rights offering and notice of adjustment of warrants expire on August 31, 2011, if they are not exercised by the shareholder.

On July 8, 2011, Galahad declined to exercise their rights offering to acquire an additional 8,838,939 shares.

On August 31, 2011, the Company had received executed rights offering from existing shareholders as well as proceeds of $9,350 and issued 935,000 common shares at a price of $0.01 per share. There were no warrants offered in conjunction to these shares.

On October 24, 2011, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On October 27, 2011, the Company issued 600,000 units to investors at a price of $0.10 per unit for gross proceeds of $60,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On October 28, 2011, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On November 16, 2011, the Company issued 775,000 units to investors at a price of $0.10 per unit for gross proceeds of $77,500 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On December 1, 2011, the Company issued 2,250,000 units to investors at a price of $0.10 per unit for gross proceeds of $225,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On December 29, 2011, the Company issued 2,460,000 units to investors at a price of $0.10 per unit for gross proceeds of $246,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On January 4, 2012, the Company issued 1,150,000 common shares to officers and consultants of the Company valued at $115,000 ($0.10 per common share) (Note 14). There are no warrants associated with the share issuance.

On January 11, 2012, the Company issued 200,000 common shares valued at $20,000 ($0.10 per common share) per the Pogonip and Ryepatch land management agreement (Note 14). There were no warrants associated with the share issuance.

(Expressed in Canadian Dollars)

On January 20, 2012, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

d) Warrants

As at April 30, 2013, the Company had a total of 10,074,500 (2012 – 8,754,500) common share warrants issued and outstanding. The following is a summary of changes in warrants for the years ended April 30, 2013 and 2012:

	April 30, 2013		April 30, 2012	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning	**8,754,500**	**0.24**	-	-
Granted	**1,320,000**	**0.15**	9,689,500	0.29
Exercised	**-**	**-**	-	-
Forfeited	**-**	**-**	(935,000)	0.75
Outstanding, end of year	**10,074,500**	**0.21**	8,754,500	0.24

	Number of Warrants	**Dollar value if Exercised**
Balance at April 30, 2011	**-**	**$ -**
Warrants issued in the May 2011 private placement	935,000	701,250
Warrants cancelled as part of the rights offering	(935,000)	(701,250)
Warrants issued under the rights offering	1,870,000	748,000
Warrants issued in the October 2011 private placement	6,385,000	1,277,000
Compensation warrants issued as finders' fees for the October 2011 placement	499,500	99,900
Balance April 30, 2012	**8,754,500**	**$ 2,124,900**
Warrants issued in the September 2012 private placement	120,000	18,000
Warrants issued in the October 2012 private placement	550,000	82,500
Warrants issued in the November 2012 private placement	550,000	82,500
Warrants issued in the March 2013 private placement	100,000	15,000
Balance April 30, 2013	**10,074,500**	**$ 2,322,900**

As at April 30, 2013, the Company had warrants issued and outstanding as follows:

Number of warrants	**Exercise price**	**Expiry**
6,884,500	$0.20	November 1, 2013
1,870,000*	$0.30	April 30, 2014
120,000	$0.15	September 21, 2014
550,000	$0.15	October 9, 2014
550,000	$0.15	November 21, 2014
100,000	$0.15	March 18, 2015

As part of the October 2011 private placement, the Company paid a finder's fee with respect to October subscriptions comprised of $49,950 and 499,500 finder's warrants. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

*On October 24, 2012, the Board of Directors of the Company has extended the expiry date from April 30, 2013 to April 30, 2014 for 1,870,000 share purchase warrants (the "Warrants") for the purchase of 1,870,000 shares of the Company. In addition, the Company has re-priced the Warrants from $0.40 to $0.30.

No finders' warrants have been issued as part of the private placements during the year ended April 30, 2013.

(Expressed in Canadian Dollars)

12. Stock options

Under the terms of the Company's stock option plan (the "Plan") all options are granted with an exercise price equal to the closing market price on the day immediately preceding the date of grant. The term of options is determined by the Board of Directors and is typically three or five years with a maximum term of 10 years. Options issued to consultants who perform investor relations activities will be subject to a vesting schedule whereby no more than 25% of the options granted may vest in any three month period. The maximum number of options authorized for issue shall be 10% of the outstanding shares in issue at the date of the option grant.

There were no stock options granted during the year ended April 30, 2013. The Black Scholes Option Pricing Model inputs for options granted during the years ended April 30, 2013 and 2012 included:

	April 30, 2013	April 30, 2012
Average share price at date of grant	-	$ 0.10
Expected volatility	-	155%
Expected option life (in years)	-	3
Risk-free interest rate	-	0.98 – 1.02%
Expected dividend yield	-	0%
Average exercise price at date of grant	-	$ 0.10

Option pricing models require the inputs of highly subjective assumptions including the expected price volatility. Changes to the subjective input assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Stock option activity is as follows:

Expiry Date	Exercise Price		Options Outstanding	Weighted Average Remaining Contractual Life (years)	Options Vested	Options Unvested
January 10, 2015	$	0.10	1,350,000	1.70	1,350,000	-
January 31, 2015	$	0.10	200,000	1.76	200,000	-
Total			**1,550,000**	**1.71**	**1,550,000**	**-**

Weighted average exercise price of exercisable options is $0.10 per stock option:

	Number	Weighted Average Exercise Price	Expiry
Outstanding, April 30, 2011	-	-	
Granted	1,350,000	0.10	January 10, 2015
Granted	200,000	0.10	January 31, 2015
Outstanding, April 30, 2012	**1,550,000**	**0.10**	
Granted	-	-	
Outstanding, April 30, 2013	**1,550,000**	**0.10**	

2013 activity:

No stock options were granted, forfeited, cancelled or expired for the year ended April 30, 2013.

(Expressed in Canadian Dollars)

2012 activity:

On January 11, 2012, the Company has granted incentive stock options to purchase 1,350,000 common shares without par value in the capital of the Company to directors, officers and consultants of the Company. These options will be exercisable for a period of 3 years expiring on January 10, 2015, at a price of $0.10 per common share. The value to the stock-based compensation was $111,051, which was based on the Black-Scholes pricing model with the assumptions of risk-free interest rate of 0.98%, volatility of 155% and expected life of 3 years. As the Company is a private company, the volatility of the share price was calculated using the volatility of similar public companies.

On February 1, 2012, the Company has granted incentive stock options to purchase 200,000 common shares without par value in the capital of the Company to a person who is a director, officer, employee or consultant of the Company. These options will be exercisable for a period of 3 years expiring on January 31, 2015, at a price of $0.10 per common share. The value to the stock-based compensation was $16,454, which was based on the Black-Scholes pricing model with the assumptions of risk-free interest rate of 1.02%, volatility of 155% and expected life of 3 years. As the Company is a private company, the volatility of the share price was calculated using the volatility of similar public companies.

13. General and administrative expenses

	April 30, 2013	April 30, 2012
Rent (Note 14)	$ **2,800**	$ -
Phone, utilities, supplies and other	**33,579**	20,342
Insurance	**3,639**	-
Website, internet and printing	**1,620**	9,821
Stock options	**-**	127,505
Contractor fees (Note 14)	**25,175**	64,333
Total	**66,813**	222,001

14. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Transactions with key management personnel

Key management of the Company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Vice President of Exploration, and President. Key management remuneration includes the following:

	April 30, 2013	April 30, 2012
Short-term key management benefits		
Compensation including bonuses	**$ 149,370**	$ 334,973
Long-term key management benefits		
Share based payments	-	166,629
Total remuneration	**$ 149,370**	$ 501,602

(1) The Company has no employees. Compensation fees are paid/accrued to key management personnel which include the Chief Executive and Chief Financial Officers, Presidents, Vice President of Exploration, Corporate Secretary and the Board of Directors. The Board of Directors receives annual retainers of $6,000 per director and $3,000 per committee chairman. Directors are compensated with $250 per meeting from the Company. The Company has incurred directors fees and stipends of $27,000 for the year ended April 30, 2013 (2012 - $17,000). Included in accounts payable and accrued liabilities is $28,000 (2012 - $10,000) payable to directors of the Company as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(2) Key management are entitled to stock options for their services. On January 11, 2012, key management received 1,305,000 stock options with a maturity date of January 10, 2015 and an exercise price of $0.10. On February 1, 2012, key management received 200,000 stock options with a maturity date of January 31, 2015 and an exercise price of $0.10. Using the Black Scholes valuation method the stock options granted to key management were valued at $123,803. There were no stock options granted to key management for the year ended April 30, 2013.

(3) The Company had a management contract with Robin Dow, the Chairman and former CEO of the Company, whereby the Company pays up to $5,000 a month for accommodation fees and related expenses. During the year ended April 30, 2013, total amounts billed for director and management fees based on normal market rates were $Nil (2012 - $60,000). Included in accounts payable and accrued liabilities is $Nil (2012 - $288) payable to Robin Dow as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand. During the year ended April 30, 2013, $9,750 (2012 - $Nil) of director fees were waived by the Chairman and former CEO of the Company.

(4) The Company has retained Larry Hoover as its new CEO and President. Currently there is no compensation contract in place with Mr. Hoover and he has not received any compensation. During the year ended April 30, 2013, total amounts billed for director fees were $6,250 (2012 - $848). Included in accounts payable and accrued liabilities is $5,750 (2012 - $Nil) payable to Larry Hoover as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(5) The Company has a consulting contract with Sabino Di Paola, the CFO of Red Ore Gold Inc., whereby the Company pays hourly compensation of $100/hour for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $41,565 (2012 - $59,570). The Company also pays the CFO for subleasing the office, resulting in amounts accrued of $2,800 (2012-$Nil) (Note 13). Included in accounts payable and accrued liabilities is $1,083 (2012 - $1,554) payable to Sabino Di Paola as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(6) The Company has a consulting contract with Garry Smith, the Vice President of Exploration of the Company, whereby the Company pays daily compensation of $700/day for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $69,208 (2012 - $119,896). Included in accounts payable and accrued liabilities is $Nil (2012 - $Nil) payable to Garry Smith as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(7) The Company had a consulting contract with Michael Zamora, the former President of the Company, whereby the Company pays hourly compensation of $100/hour for services rendered as well related expenses. During the year ended April 30, 2013, the amounts billed for contract fees for management amounted to $150 (2012 - $38,193) (Note 13). Included in accounts payable and accrued liabilities is $10,628 (2012 - $10,459) payable to Michael Zamora as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(8) The Company has a consulting contract with Patricia Purdy, a Director and Corporate Secretary of the Company, whereby the Company pays an hourly rate of $50/hour for services rendered as well as related expenses. During the year ended April 30, 2013, total amounts billed related to director fees and contract fees for management amounted to $11,147 (2012 – $3,064) (Note 13). Included in accounts payable and accrued liabilities is $3,000 (2012 - $Nil) payable to Patricia Purdy as at April 30, 2013 (Note 9). This amount is non-interest bearing, unsecured and due on demand.

(9) On January 4, 2012, the Company issued a total of 1,150,000 common shares valued at $115,000 ($0.10 per common share) (Note 11). Of this total amount, 875,000 common shares were issued to these related parties valued at $87,500. There were no warrants associated with the common shares. For the year ending April 30, 2012, the Company incurred an additional $30,000 of compensation expense relating to the issuance of these shares in which $22,826 is attributed to compensation expense relating to these related parties. There were no compensation shares issued in the year ended April 30, 2013.

Transactions with related companies

In 2012/13 Red Ore shared office space with Galahad. The Board of Directors for Red Ore and Galahad have agreed that the rent for the operating office in Ottawa shall be paid by Galahad and all operating costs are to be paid by Red Ore. In September 2012, Red Ore and Galahad ceased sharing costs and Red Ore began paying its own rent. For the year ended April 30, 2013, the Company incurred shared costs of $6 (2012 - $30,156).

Furthermore, Galahad made advances to fund start-up costs, initial IPO costs and exploration and evaluation expenditures related to the Bottle Creek, Ryepatch and Pogonip properties. At April 30, 2013, the Company has an amount payable to Galahad of $Nil (April 30, 2012 - $224,984) and a long term convertible note with a face value $186,419 (2012 - $Nil) (Note 10). The convertible debt has accrued interest of $17,088 as at April 30, 2013, which has been waived subsequent to the year end effective April 30, 2013. The waived accrued interest of $17,088 has been treated as forgiveness of debt and taken into other income as at April 30, 2013. Subsequent to the year ended April 30, 2013, Galahad waived amounts payable to Galahad of $37,780 effective April 30, 2013. The waived payable of $37,780 has been taken into other income as at April 30, 2013 (Notes 20 and 22).

(Expressed in Canadian Dollars)

The Company has a land management fee agreement with 2232097 Ontario Inc., a company controlled by Garry Smith, Red Ore's VP of Exploration, whereby the Company is required to make annual payments as long as it continues its exploration on the Pogonip and Ryepatch properties. Per the agreement, the Company is required to make the following payments for both Pogonip and Ryepatch properties:

- The Company will make a $10,000 payment and 100,000 common shares upon signing the option lease agreement (paid);
- The Company will make a $20,000 payment and 50,000 common shares on the 1st and 2nd anniversary of signing the lease option agreement (paid for Ryepatch, unpaid for Pogonip); and
- The Company will make a $25,000 payment and 50,000 common shares on the 3rd anniversary of signing the lease option agreement and thereafter.

On March 18, 2013, the Company terminated its Option Lease Agreement on the Pogonip property and returned the claims to Gold Range. The agreement with 2232097 Ontario Inc. has been modified to no longer include fees for the Pogonip property.

During the year ended April 30, 2013, the Company incurred total land management fees of $20,000 (April 30, 2012 - $20,000) in relation to the signing of the option lease agreements related to the Pogonip and Ryepatch properties and issued 50,000 common shares (2012 - 200,000) valued at $5,000 ($0.10 per share) (2012 - $20,000) (Notes 11 and 20).

15. Income taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the interim period. The Company's effective tax rate for the year ending April 30, 2013 was 26.5% (2012 – 27.7%).

	Year ended April 30, 2013 $	Year ended April 30, 2012 $
Loss before income taxes	**(429,051)**	(1,306,855)
Statutory rate	**26.5%**	27.7%
Expected recovery of income tax	**(113,699)**	(361,563)
Non-deductible amounts	**5,760**	23,404
	(107,939)	(338,159)
Effect of change in enacted future tax rates	**(21,579)**	38,451
Effect of difference in foreign tax rates	**(144)**	(9,578)
Effect of change in prior year provisions to actual	**(11,860)**	(6,863)
Deferred tax assets not recognized	**141,522**	316,149
Deferred income taxes	**-**	-

The nature and tax effect of the temporary differences giving rise to the deferred income tax assets and liabilities at April 30, 2013 and 2012 are summarized as follows:

Deferred tax assets	**As at April 30, 2013**	As at April 30, 2012
Exploration and evaluation costs	**$ 203,946**	$ 165,493
Share issue costs	**7,942**	9,990
Loss carry forwards	**374,549**	269,432
Unrecognized deferred tax asset	**$ 586,437**	$ 444,915

As at April 30, 2013, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below.

(Expressed in Canadian Dollars)

Tax Losses

These tax losses will expire as follows:

Tax Year - Loss incurred	Loss life (years)	Year of expiry	Non-capital losses
2011	20	2031	$ 311,206
2012	20	2032	800,054
2013	20	2033	290,938
Total			**$ 1,402,198**

The potential benefits of these carry-forward non-capital losses, and deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

16. Net loss per share

The calculation of the basic and diluted loss per share for the year ended April 30, 2013, was based on the loss attributable to common shareholders of the parent of $428,283 (2012 – $1,246,365) and the weighted average number of common shares outstanding of 19,101,035 (2012 – 13,360,679).

17. Financial instruments

The Company's financial instruments consist of cash, accounts payable and convertible debenture. The fair value of certain instruments approximates the carrying value due to their short-term nature.

	Financial Instrument Classification	Carrying amount $	Fair value $
Financial assets			
Cash	Financial assets through profit and loss	8,636	8,636
Financial liabilities			
Accounts payable	Loans and borrowings	396,188	396,188
Convertible debt	Loans and borrowings	159,422	186,419

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly. As at April 30, 2013, the Company's convertible debenture has been classified as level 2 financial instruments.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at April 30, 2013, the Company does not have any Level 3 financial instruments.

As at April 30, 2013	**Level 1 $**	**Level 2 $**
Financial assets at fair value		
Cash	8,636	-
Convertible debenture	-	186,419
Total level financial assets at fair value	**8,636**	**186,419**

As at April 30, 2012	Level 1 $
Financial assets at fair value	
Cash	127,347
Total financial assets at fair value	**127,347**

Cash in the bank

The cash is held in reputable national banks, where funds are held in Canadian and US currencies. Fair value has been taken for Canadian denominated funds by reference to the bank balance per the monthly bank statement at the end of the reporting period. Fair value has been taken for United States denominated funds by reference to the bank balance per the monthly bank statements at the end of the reporting period translated using the end of the day foreign exchange rate posted on the Bank of Canada website.

Convertible debenture

The fair value of the convertible debenture was calculated using the Black Scholes model in which the difference between the principal value of the debt and the fair value of the liability component of $31,245 has been recorded as equity upon initial recognition. The discount on the debentures is being accreted such that the liability at maturity will equal the face value of $186,419 (Note 10).

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Market rate risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company currently does not have any outstanding interest bearing assets. The Company has an outstanding convertible debenture with a related party. The debenture has a fixed interest rate at 10% with annual payments. As a result the Company does not have any exposure to fluctuations in the interest rate. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Exposure to currency exchange rates arises from the Company's project in the United States and as a result expenditures are in US dollars. The Company also holds a bank account in US dollars.

To mitigate the exposure to foreign currency risk the Company typically holds funds in US dollars for short term expenditures. When vendors require significant payment in US dollars the company will usually purchase the required US currency the same day it makes the payment to the vendor.

The Company does not enter into any forward exchange contracts to mitigate the exposure to foreign currency risk.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amount shown in the table below are those reported to key management in United States dollars.

	Short-term exposure April 30, 2013	Short-term exposure April 30, 2012
Financial assets	US$ 818	US$ 56,076
Financial liabilities	(40,240)	(26,162)
Total exposure	US$ (39,422)	US$ 29,914

If the Canadian dollar had strengthened against the US dollar by 10% then this would have the following impact:

	USD financial exposure in USD	**Bank of Canada average 12 month exchange rate**	**Strengthening of CAD by 10%**	**Effect of profit or loss**
April 30, 2013	39,422	1.0035	0.9032	$3,956
April 30, 2012	29,914	0.9956	0.8960	($ 2,978)

If the Canadian dollar had weakened against the US dollar by 10% then this would have the following impact:

	USD financial exposure in USD	**Bank of Canada average 12 month exchange rate**	**Weakening of CAD by 10%**	**Effect of profit or loss**
April 30, 2013	39,422	1.0035	1.1040	($ 3,956)
April 30, 2012	29,914	0.9956	1.0952	$ 2,978

Exposures to foreign exchange rates vary over the year depending on the volume of expenditures on the Nevada properties located in the United States. None the less, the analysis above is considered to be representative of the Company's exposure to currency risk.

Commodity and equity price risk

The Company is exposed to a price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to precious and base metals and other minerals, to determine the appropriate course of action to be taken by the Company.

Commodity price can adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. A decline in the market price of precious and base metals and other minerals may require the Company to reduce mineral resources, which could have a material and adverse effect on its value.

As at April 30, 2013, the Company was not a precious metal, base metals and other minerals producer. Even so, commodity prices may affect the completion of future equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet ongoing obligations.

Credit risk

Credit risk arises due to the potential for one party to a financial instrument to fail to discharge it obligations and cause the other party to suffer a loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and cash equivalents with financial institutions that are believed to be creditworthy.

The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognized at the reporting period, as summarized below.

	April 30, 2013	April 30, 2012
Classes of financial assets – carrying amounts		
Cash	$ 8,636	$ 127,347
Accounts receivable (not including sales tax receivable)	-	10
	$ 8,636	$ 127,357

The Company continues to monitor default of accounts receivable and other counterparties and incorporates this information into its credit risk control. The company policy is to deal only with creditworthy counterparties.

Key management of Red Ore considers all of the above financial assets not to be impaired or past due for the above mentioned reporting date and are of good credit quality. None of the financial assets are secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled exploration and evaluation activity as well as forecasted cash inflows and outflows due in day to day business. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods.

Funding for long term liquidity needs is based on the ability of the company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at April 30, 2013, the Company had cash of $8,636 to settle current liabilities of $454,815.

The Company considers expected cash flow from financial assets in managing liquidity risk, in particular its cash resources and accounts receivable The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosures have been made in the consolidated financial statements.

Fair value of financial instruments

Financial instruments consist of cash, accounts payable and convertible debenture. At April 30, 2013 and 2012, there were no significant differences between the carrying amounts reported on the balance sheet and their estimated fair values, except for the convertible debenture which has a carrying value of $159,422 and a fair value of $186,419.

18. Segmented information

Red Ore is engaged in the acquisition, exploration and evaluation for gold and other precious mineral properties.

Management monitors the operating results of its individual exploration and evaluation project for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the results of the exploration and evaluation to date and the amount of additional exploration which would be required to obtain a high degree of confidence in the project's viability. Hence there would be the likely probability that future economic benefits will flow to the Company. The Company's financing (including private placements, financing costs and finance income) and income taxes are managed on a company basis and are not allocated to exploration and evaluation segments.

(Expressed in Canadian Dollars)

Information presented to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the properties geographic location. The reportable segments under IFRS 8 are as follows:

- United States of America – Exploration activities
- Canada - Corporate operations

	Canada $	United States $	Total $
Net loss			
As at April 30, 2013	**427,130**	**1,921**	**429,051**
As at April 30, 2012	1,155,630	151,225	1,306,855
Current assets			
As at April 30, 2013	**16,683**	**-**	**16,683**
As at April 30, 2012	166,517	5,761	172,278
Reclamation bond			
As at April 30, 2013	**-**	**5,062**	**5,062**
As at April 30, 2012	-	18,567	18,567

All exploration mineral claims are located in the United States of America. As a result all of the exploration and evaluation expenditures are incurred on properties located in the United States of America. The Company does not have any tangible assets located in the United States of America. All of the Company's payables and current liabilities are from corporate operations and are located in Canada.

19. Contingencies and commitments

1) The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

2) The Company has a commitment to pay PI a total of $50,000 for their acceptance to act as the Company's advisor. As at April 30, 2013 and 2012, the Company has two monthly installments of $6,250 owing.

3) The Company has a commitment with its Chief Financial Officer in which the Company guarantees a minimum of 250 billable hours per year at an hourly rate of $100 per hour over a 3 year term ending December 31, 2013.

4) On September 5, 2012, the Company had received notice from Golden that Red Ore was delinquent on the cash calls made related to the Bottle Creek Property and as a result would see its ownership diluted. Red Ore as at April 30, 2013, has not yet received notice of the percentage of dilution in its interest in Bottle Creek exploration claims (Note 7).

5) The Company has a commitment with Galahad, related to interest and principal payments on convertible debt (Note 10).

6) As at April 30, 2013 and subsequent to the year ended April 30, 2013, the Company was in default on certain obligations related to the Ryepatch property (Notes 7 and 9).

7) As at April 30, 2013, the Company has negative working capital of $438,132 (2012 - $353,371) and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing (Note 1).

(Expressed in Canadian Dollars)

20. Supplemental cash flow information

	2013 $	2012 $
Cash paid during the year for interest	-	-
Cash paid during the year for income taxes	-	-

During the year ended April 30, 2013, the Company issued a total of 50,000 (2012 – 200,000) common shares valued at $5,000 (2012 - $20,000), at an average price of $0.10 per share pursuant to the land management agreement related to the Ryepatch property (Notes 11 and 14).

During the year ended April 30, 2013, the Company wrote off accounts payable balances in the amount of $50,676 (2012 - $Nil) related primarily to its prior business that had remained unpaid for several years and were settled with creditors as at April 30, 2013 (Note 9).

During the year ended April 30, 2013, the Company wrote off accounts payable in the amount of $37,780 (2012 - $Nil) related to a balance owing to Galahad (Note 14).

During the year ended April 30, 2013, the Company wrote off accounts receivable balances in the amount of $12,045 (2012 - $Nil) related primarily to input tax credits that were not claimable (Note 6).

As at April 30, 2013, the Company accrued $17,088 of interest on the convertible debenture, which was subsequently waived by Galahad, effective April 30, 2013 (Notes 10, 14 and 22).

21. Capital management

The Company's capital structure has been defined by management as being comprised of shareholders' equity, this is comprised of share capital and other components of equity and accumulated deficit, which at April 30, 2013, totals $590,938 (2012 – $342,200). The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs. This is achieved by the Board of Directors review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows, exploration budgets and targets for the year as well as corporate capitalization schedules.

The Company currently has no source of revenues; as such the Company is dependent upon external financing to fund its activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

22. Subsequent events

The following events occurred subsequent to April 30, 2013:

On May 14, 2013, the Company settled an outstanding and overdue account with a creditor, in which the Company made a payment of $2,341 in exchange for the $23,414 owing to them (Note 9).

On July 9, 2013, the Company issued 200,000 units to investors at a price of $0.10 per unit for gross proceeds of $20,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share exercisable on or before July 9, 2015 (Note 1).

On July 30, 2013, Galahad agreed to waive $17,088 of accrued interest on the convertible debenture effective April 30, 2013. The interest has been credited to other income as at April 30, 2013 (Note 10).

Subsequent to the year ended April 30, 2013, Galahad waived amounts payable to Galahad of $37,780 effective April 30, 2013. The waived payable of $37,780 has been taken into other income as at April 30, 2013 (Notes 14 and 20).

On August 13, 2013, the Company settled an outstanding and overdue account with a creditor, in which the Company agreed to make a payment of $50,000 in exchange for the $297,493 owing to them. Red Ore has agreed to pay $2,500 and issue 250,000 common shares (valued at $0.10 per share) on or before August 30, 2013. Red Ore will than carry a payable of $22,500, which will be drawn down at a rate of 2% of any revenue or new capital received by Red Ore (Note 9).