# WEST POINT RESOURCES INC.

Condensed Interim Financial Statements

(Unaudited)

October 31, 2013

(Expressed in Canadian dollars)

## UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the six months ended October 31, 2013.

## West Point Resources Inc.

Condensed interim statements of financial position
(Expressed in Canadian dollars)

| | October 31, 2013 $ (unaudited) | April 30, 2013 $ |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash | 2,000 | 6,024 |
| Amounts receivable | 4,017 | 4,927 |
| Total current assets | 6,017 | 10,951 |
| Non-current assets | | |
| Mineral property costs (Note 3) | 50,000 | 50,000 |
| Deferred financing costs | 29,000 | 29,000 |
| Total non-current assets | 79,000 | 79,000 |
| Total assets | 85,017 | 89,951 |
| Liabilities | | |
| Current liabilities | | |
| Amounts payable | 103,098 | 20,851 |
| Due to related parties (Note 4) | 1,800 | 1,800 |
| Deferred flow through share premium | 12,600 | 12,600 |
| Total liabilities | 117,498 | 35,251 |
| Equity | | |
| Share capital (Note 5) | 267,167 | 267,167 |
| Contributed surplus | 85,897 | 85,897 |
| Deficit | (385,545) | (298,364) |
| Total equity | (32,481) | 54,700 |
| Total liabilities and equity | 85,017 | 89,951 |

Nature of operations and continuance of business (Note 1)
Commitments (Notes 3 and 11)
Subsequent events (Note 12)

Approved on behalf of the Board on December 30, 2013:

*/s/ "Ravinder Mlait"*  *"/s/ "Bryan Loree"*

Ravinder Mlait, Director  Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

**WEST POINT RESOURCES INC.**
Condensed interim statements of operations and comprehensive loss (unaudited)
(Expressed in Canadian dollars)

| | Three months ended October 31, 2013 $ | Three months ended October 31, 2012 $ | Six months ended October 31, 2013 $ | Six months ended October 31, 2012 $ |
|---|---|---|---|---|
| Revenue | – | – | – | – |
| Operating expenses | | | | |
| Investor relations | 340 | 182 | 923 | 361 |
| Mineral exploration costs (Note 3) | 637 | 2,358 | 637 | 2,358 |
| Office and miscellaneous | 44 | 56 | 65 | 148 |
| Professional fees | 61,675 | 2,290 | 80,486 | 9,984 |
| Exchange & Filing Fees | 5,070 | – | 5,070 | – |
| Travel | – | 3,473 | – | 3,473 |
| Total operating expenses | 67,766 | 8,359 | 87,181 | 16,324 |
| Net loss and comprehensive loss | (67,766) | (8,359) | (87,181) | (16,324) |
| Loss per share, basic and diluted | (0.01) | (0.00) | (0.02) | (0.00) |
| Weighted average shares outstanding | 4,486,727 | 4,211,707 | 4,486,727 | 4,212,103 |

(The accompanying notes are an integral part of these financial statements)

**WEST POINT RESOURCES INC.**
Condensed interim statement of changes in equity (unaudited)
(Expressed in Canadian dollars)

| | Share capital | | Share subscriptions receivable | Contributed surplus | Deficit | Total |
|---|---|---|---|---|---|---|
| | Number of shares | Amount $ | $ | $ | $ | $ |
| Balance, April 30, 2012 | 4,139,500 | 233,904 | 300 | 80,246 | (220,080) | 94,370 |
| Shares issued as commission on private placements | 73,000 | 15,400 | – | – | – | 15,400 |
| Share issuance costs | – | (15,400) | – | – | – | (15,400) |
| Net Loss | – | – | – | – | (16,324) | (16,324) |
| Balance, October 31, 2012 | 4,212,500 | 233,904 | 300 | 80,246 | (236,404) | 78,046 |
| Shares issued pursuant to private placement – flow through | 126,000 | 31,500 | – | – | – | 31,500 |
| Reduction for flow-through share premium | – | (12,600) | – | – | – | (12,600) |
| Shares issued pursuant to private placement - non flow-through | 148,227 | 22,234 | – | – | – | 22,234 |
| Subscription receivable | – | 300 | (300) | – | – | – |
| Share issuance costs | – | (2,520) | – | – | – | (2,520) |
| Agent's warrants | – | (5,651) | – | 5,651 | – | – |
| Net Loss | – | – | – | – | (61,960) | (61,960) |
| Balance, April 30, 2013 | 4,486,727 | 267,167 | – | 85,897 | (298,364) | 54,700 |
| Net Loss | – | – | – | – | (87,181) | (87,181) |
| Balance, October 31, 2013 | 4,486,727 | 267,167 | – | 85,897 | (385,545) | (32,481) |

(The accompanying notes are an integral part of these financial statements)

**WEST POINT RESOURCES INC.**
Condensed interim statements of cash flows (unaudited)
(Expressed in Canadian dollars)

| | Three months ended October 31, 2013 $ | Three months ended October 31, 2012 $ | Six months ended October 31, 2013 $ | Six months ended October 31, 2012 $ |
|---|---|---|---|---|
| Operating activities | | | | |
| Net loss | (67,766) | (8,359) | (87,181) | (16,324) |
| Item not involving cash: | | | | |
| Stock-based compensation | – | – | – | – |
| Changes in non-cash operating working capital: | | | | |
| Amounts receivable | (3,021) | (702) | 910 | 9,054 |
| Accounts payable and accrued liabilities | 65,232 | (6,425) | 82,248 | 89 |
| Due to related parties | – | – | – | – |
| Net cash used in operating activities | (5,555) | (15,486) | (4,023) | (7,181) |
| Investing activities | | | | |
| Mineral property acquisition costs | – | – | – | – |
| Net cash used in investing activities | – | – | – | – |
| Financing activities | | | | |
| Proceeds from issuance of shares | – | – | – | – |
| Share issuance costs | – | – | – | – |
| Net cash provided by financing activities | – | – | – | – |
| Increase (decrease) in cash | (5,555) | (15,486) | (4,023) | (7,181) |
| Cash, beginning of period | 7,555 | 43,465 | 6,023 | 35,160 |
| Cash, end of period | 2,000 | 27,979 | 2,000 | 27,979 |
| Supplemental disclosures: | | | | |
| Interest paid | | | – | – |
| Income taxes paid | | | – | – |

(The accompanying notes are an integral part of these financial statements)

## 1. Nature of Operations

The Company was incorporated on April 5, 2011 under the Business Corporations Act (BC). The address of the Company's corporate office and its principal place of business is 7934 Government Road, Burnaby, BC. The Company is an exploration stage company currently focused on the exploration of mineral property projects in Yukon, Canada. It has not yet been determined whether the properties contain mineral reserves that are economically recoverable. The operations of the Company will require various licences and permits from various governmental authorities which are or may granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2013, the Company has no source of revenue, generates negative cash flows from operating activities, and has an accumulated deficit of $385,545. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

(b) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of mineral property costs, determination of reclamation provisions, measurement of share-based payments, fair values of financial instruments, and deferred income tax asset valuation allowances.

**2. Significant Accounting Policies** (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

**2. Significant Accounting Policies** (continued)

(g) Income Taxes

*Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred income tax*

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, accounts payable, and amounts due to related parties. At initial recognition management has classified financial assets and liabilities as follows:

*Financial assets*

The Company has classified its cash at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

*Financial liabilities*

The Company has classified its accounts payable and due to related parties as other financial liabilities. Accounts payable are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when it its contractual obligations are discharged, cancelled or expire.

**2. Significant Accounting Policies** (continued)

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

(j) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Stock-based Compensation

The Company grants share-based awards to employees, directors and consultants providing similar services as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(Expressed in Canadian dollars)

**2. Significant Accounting Policies** (continued)

(m) New Accounting Standards and Interpretations Not Yet Adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for the Company to adopt for its fiscal year beginning May 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective for the Company on May 1, 2015

**IFRS 9 *Financial Instruments* -** IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after May 1, 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

**3. Mineral Property Costs**

*Mineral property acquisition costs capitalized:*

| | Ruby Range<br>$ |
|---|---|
| Balance, April 30, 2011 | – |
| Additions | 50,000 |
| Balance, October 31, 2012 and 2013 | 50,000 |

*Mineral exploration cost expensed:*

Three month period ended October 31, 2013

| | Ruby Range<br>$ |
|---|---|
| Claims maintenance fees | – |
| Equipment rental, field supplies, and other | 637 |
| | 637 |

(Expressed in Canadian dollars)

**3. Mineral Property Costs** (continued)

Three month period ended October 31, 2012

| | Ruby Range $ |
|---|---|
| Claims maintenance fees | 2,358 |
| Equipment rental, field supplies, and other | – |
| | 2,358 |

*Ruby Range Property*

On November 9, 2011, and last amended September 10, 2013, the Company entered into an option agreement to acquire a 100% interest in the Kluane, JPR and Gladstone Properties (collectively the Ruby Range Properties) located in the Whitehorse Mining District of southern Yukon, Canada.

The Company can earn 100% interest in the three properties by making aggregate payments totalling $525,000, issuing four million common shares of West Point to the vendor Rockhaven and incurring exploration expenditures of $1,000,000 over a four year period. The payments of cash and common shares and work commitments are to be completed as follows:

| | Cash $ | Number of Common Shares | Exploration Expenditures $ |
|---|---|---|---|
| *Cash payments* | | | |
| Upon execution of the option agreement (paid) | 50,000 | - | - |
| Upon exchange acceptance | 100,000 | - | - |
| On or before December 31, 2014 | 50,000 | - | - |
| On or before December 31, 2015 | 175,000 | - | - |
| On or before December 31, 2016 | 150,000 | - | - |
| *Common share issuances* | | | |
| Within 10 days of completion of IPO | - | 2,200,000 | - |
| On or before December 31, 2013 | - | 750,000 | - |
| On or before December 31, 2014 | - | 1,050,000 | - |
| *Exploration expenditures* | | | |
| On or before December 31, 2012 (completed) | - | - | 100,000 |
| On or before December 31, 2014 | - | - | 250,000 |
| On or before December 31, 2015 | - | - | 350,000 |
| On or before December 31, 2016 | - | - | 300,000 |
| **TOTAL** | **525,000** | **4,000,000** | **1,000,000** |

The Agreement is subject to the Company's completion of an IPO by August 31, 2013 (subsequently extended to December 31, 2013 along with certain other dates, see Note 13), and failure to do so would effectively terminate the Agreement.

The Ruby Range property is subject to two royalties totaling 2.5%. The Rockhaven Royalty provides for one-half percent (1.5%) of net smelter returns (NSR) payable by West Point to Rockhaven. The Ross Royalty provides for one percent (1%) of net smelter returns payable by West Point to the estate of John Peter Ross. Payments of the NSR interests shall begin when the Property is deemed to be in commercial production.

### 4. Key Management Compensation and Related Party Transactions

There were no transactions with directors/officers of the Company and corporations with principals that are directors of the Company for the three months periods ended October 31, 2012 and 2013.

As at October 31, 2013, the amount of $1,800 (2012 - $1,800) was owed to directors of the Company, which is non-interest bearing, unsecured, and due on demand.

### 5. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

There were no share issuances for the six month period ended October 31, 2013.

Share issuances for the year ended April 30, 2013:

(a) On February 13, 2013, the Company issued 148,227 units at $0.15 per unit for gross proceeds of $22,234. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.25 until February 13, 2015. No consideration or value was allocated to the warrants as they had no intrinsic value at the time the units were issued.

(b) On December 10, 2012, the Company issued 126,000 flow-through units at $0.25 per unit for gross proceeds of $31,500. Each unit consisted of one flow-through share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.35 until December 10, 2014. No consideration or value was allocated to the warrants as they had no intrinsic value at the time the units were issued. The Company paid finder's fees and commission of $2,520.

(c) On May 1, 2012, the Company issued 73,000 common shares at a price of $0.20 per share as a finder's fee in connection with the December 30, 2011 and the January 4, 2012 private placements.

Share issuances for the year ended April 30, 2012:

(a) On January 4, 2012, the Company issued 687,500 shares at $0.20 per share for gross proceeds of $137,500. On February 1, 2013, 380,250 share purchase warrants were issued pursuant to this share issuance. Each warrant is exercisable at $0.25 until January 27, 2017.

(b) On December 30, 2011, the Company issued 452,000 flow-through shares at $0.25 per share for gross proceeds of $113,000. The Company paid finder's fees and commission of $18,897. As at April 30, 2012, the related eligible exploration expenditures have been incurred, and the flow-through share tax renouncement has been made.

(c) On July 4, 2011, the Company issued 3,000,000 founders' shares at $0.0084 per share for proceeds of $25,200.

(d) On April 5, 2011, the Company issued 200 shares to Directors of the Company at $0.01 per share, these were subsequently returned to treasury on July 4, 2011.

(e) On April 5, 2011, the Company issued and returned to treasury, one incorporation share.

(Expressed in Canadian dollars)

## 6. Stock Options

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

| | Number of options | Weighted average exercise price $ |
|---|---|---|
| Outstanding, April 30, 2011 | – | – |
| Granted | 420,000 | 0.20 |
| Outstanding, April 30, 2012 | 420,000 | 0.20 |
| Cancelled | (420,000) | 0.20 |
| Outstanding, October 31, 2012 & 2013 | – | – |

On May 31, 2012, all stock options granted and outstanding as at April 30, 2012 were cancelled.

The fair value of stock options granted during the year ended April 30, 2012 was $80,246, which was charged to operations. All options fully vested upon grant. No stock options were granted during the period ended October 31, 2013.

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

| | 2013 | 2012 |
|---|---|---|
| Risk-free interest rate | – | 2.26% |
| Expected life (in years) | – | 10 |
| Expected volatility | – | 125% |

Expected volatility was forecasted based on the historical volatility of comparable companies for the term of 10 years.

The weighted average fair value of stock options granted during the year ended April 30, 2012 was $0.20 per stock option.

On February 13, 2013, the Company adopted a stock option plan. Under the Company's stock option plan, the exercise price of each option is determined by the Board. Options vest immediately when granted and expire ten years from the date of the grant, unless the Board establishes more restrictive terms. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

(Expressed in Canadian dollars)

### 7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

| | Number of warrants | Weighted average exercise price $ |
|---|---|---|
| Balance, April 30, 2011 and 2012 | – | – |
| Issued | 63,000 | 0.35 |
| Balance, October 31, 2012 and April 30, 2013 | 63,000 | 0.35 |
| Issued | 464,443 | 0.25 |
| Balance, October 31, 2013 | 527,443 | 0.26 |

As at October 31, 2013, the following share purchase warrants were outstanding:

| Number of warrants outstanding | Exercise price $ | Expiry date |
|---|---|---|
| 380,250 | 0.25 | January 27, 2017 |
| 63,000 | 0.35 | December 10, 2014 |
| 10,080 | 0.35 | December 10, 2014 |
| 74,113 | 0.25 | February 13, 2015 |
| 527,443 | | |

During the year ended April 30, 2013, the Company issued 46,580 warrants to the agents of private placements (see Note 5). The fair values for warrants issued have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

| | 2013 |
|---|---|
| Risk-free interest rate | 1.22% - 1.37% |
| Expected life (in years) | 2 – 5 years |
| Expected volatility | 113% – 125% |

Expected volatility was forecasted based on the historical volatility of comparable companies for the term of 2 – 5 years.

The weighted average fair value of warrants granted during the year ended April 30, 2013 was $0.26 per warrant.

### 8. Commitments

(a) The Company closed a flow through private placement on December 10, 2012 and is committed to spending approximately $31,500 by December 31, 2013, as part of the flow through funding agreements related to mineral properties. The Company indemnifies the subscribers of flow-through shares from any tax consequences arising from the failure of the Company to meet its commitments under the flow-through subscription agreements.

(Expressed in Canadian dollars)

**8. Commitments** (continued)

(b) The Company entered into an agent agreement with Macquarie Private Wealth Inc. ("Agent") to raise the aggregate minimum proceeds of $780,000 through a combination of flow-through units at $0.25 per unit and non flow-through units at $0.15 per unit by way of an initial public offering. Of the total minimum proceeds, a maximum of $250,000 can be raised through flow-through unit issuances, each consisting of one flow through common share and one-half of one common share purchase warrant.

In consideration of services to be performed by the Agent, the Company agreed to pay a cash commission of 10% of gross proceeds raised from the offering and a corporate finance fee of $25,000 and $5,000 payable in the form of 33,333 common shares. The Company will also issue a number of common shares to the Agent equal to 10% of the total number of units and flow-through units placed by the Agent at a deemed price of $0.15 per share. Upon execution of the Agreement, the Company paid the Agent a $29,000 retainer toward legal and other expenses associated with the Offering.

**9. Financial Instruments and Risks**

(a) Fair Values

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2013 as follows:

| | Fair Value Measurements Using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets for identical instruments (Level 1) $ | Significant other observable inputs (Level 2) $ | Significant unobservable inputs (Level 3) $ | Balance, October 31, 2013 $ |
| Cash | 2,000 | – | – | 2,000 |

The fair values of other financial instruments, which include accounts payable and due to related party approximate their carrying values due to the short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST/HST receivables which are due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

**9. Financial Instruments and Risks** (continued)

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

**10. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

**11. Segmented Information**

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

**12. Subsequent events**

On December 16, 2013, the Company completed its Initial Public Offering ("IPO") for listing on the TSX Venture Exchange. The IPO consisted of issuing 6,628,100 units of the company at a price of 10 cents per unit and 859,000 flow-through units of the company at a price of 15 cents per FT unit for gross proceeds of $791,660. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 20 cents per common share for a period of 60 months from the closing date of the IPO. Each FT unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 25 cents per common share for a period of 60 months from the closing date of the IPO.