CNRP Mining Inc.

Interim Unaudited Financial Statements

Nine Months Ended April 30, 2014 and 2013

(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying financial statements of CNRP Mining Inc. (the "Company" or "CNRP") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 4 of the financial statements.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of April 30, 2014 and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the 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 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 financial statements together with other financial information of the Company for issuance to the shareholders.

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

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

"Daniel Wettreich"
Chief Executive Officer

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

CNRP Mining Inc.

Unaudited Interim Statements of Financial Position
As at

(Expressed in Canadian Dollars)

		April 30, 2014		July 31, 2013
Assets				
Current Assets				
Cash	**$**	**1,146**	$	22,803
HST recoverable		**13,665**		7,510
Prepaid expenses		**2,209**		-
Due from parent company *(Note 9)*		**174,013**		202,881
Due from company under common control *(Note 9)*		**30,000**		30,000
		221,033		263,194
Investment in Preferred Shares of Parent Company *(Note 13)*		**671,844**		671,844
Exploration and Evaluation Assets *(Note 7)*		**7,703,760**		7,703,760
	$	**8,596,637**	$	8,638,798
Liabilities				
Current Liabilities				
Trade payables and accrued liabilities *(Note 9)*	**$**	**62,975**	$	49,787
Mineral properties purchase price payable *(Note 11)*		**700,000**		700,000
		762,975		749,787
Shareholders' Equity				
Share Capital *(Note 8)*		**8,441,550**		8,441,550
Share-based payment reserve *(Note 8)*		**626,000**		626,000
Deficit		**(1,233,888)**		(1,178,539)
		7,833,662		7,889,011
	$	**8,596,637**	$	8,638,798

Going concern *(Note 2)*

Approved by the Board:

/s/ Daniel Wettreich

________________________ Director

The accompanying notes are an integral part of these financial statements

CNRP Mining Inc.

Unaudited Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Nine months ended April 30		Three months ended April 30	
	2014	2013	**2014**	2013
Interest Revenue	**$ -**	$ 613	**$ -**	$ 346
Operating Expenses				
Bank charges and interest	**1,726**	1,465	**561**	454
Filing and listing fees	**7,235**	-	**1,500**	-
Interest on property obligation *(Note 11)*	**12,500**	84,351	**-**	17,822
Office and general	**6,449**	20,245	**1,338**	2,650
Legal and professional fees	**22,890**	7,891	**1,182**	1,647
Transfer agent fees	**4,549**	-	**3,653**	-
	55,349	113,952	**8,234**	22,573
Net loss and Comprehensive Loss	**$ (55,349)**	$ (113,339)	**$ (8,234)**	$ (22,227)
Loss per share - Basic and diluted	**$ (0.00)**	$ (0.01)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares				
Basic and diluted	**14,050,000**	**13,852,015**	**14,050,000**	**13,852,015**

The accompanying notes are an integral part of these financial statements

CNRP Mining Inc.

Unaudited Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Common Share Capital		Share-Based payment Reserve	Deficit	Total Shareholders' Equity
	No. of Shares	Amount			
Common Shares Issued for:					
Cash on incorporation on September 15, 2011	1,000	$ 50	$ -	$ -	$ 50
Exploration and evaluation properties *(Note 8)*	29,200,000	7,300,000	-	-	7,300,000
Cash from private placement	20,319,000	1,031,500	-	-	1,031,500
Loss for the period	-	-	-	(337,657)	(337,657)
Balance at July 31, 2012	49,520,000	8,331,550	-	(337,657)	7,993,893
Share consolidation *(Note 8)*	(35,720,000)	-	-	-	-
Issued on subscription by parent company *(Note 8)*	200,000	100,000	-	-	100,000
Issued on settlement of trade debt *(Note 8)*	50,000	10,000	-	-	10,000
Share-based compensation	-	-	626,000	-	626,000
Net loss for the year	-	-	-	(840,882)	(840,882)
Balance at July 31, 2013	14,050,000	$ 8,441,550	$ 626,000	$ (1,178,539)	$ 7,889,011
Net loss for the period	-	-	-	(55,349)	(55,349)
Balance at April 30, 2014	**14,050,000**	**$ 8,441,550**	**$ 626,000**	**$ (1,233,888)**	**$ 7,833,662**

The accompanying notes are an integral part of these financial statements

CNRP Mining Inc.

Unaudited Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

	Nine months ended April 30		Three months ended April 30	
	2014	2013	**2014**	2013
Operating Activities				
Net loss for the period	**$ (55,349)**	$ (113,339)	**$ (8,234)**	$ (22,227)
Items not affecting cash				
Interest accretion on mineral property purchase price payable	**-**	79,351	**-**	17,822
Changes in non-cash working capital:				
HST recoverable	**(6,155)**	(1,154)	**(824)**	(1,154)
Prepaid expenses	**(2,209)**	-	**(2.209)**	-
Trade payables and accrued liabilities	**13,188**	(124,794)	**2,160**	964
Due to director	**-**	(1,000)	**-**	-
Cash (Used In) Operating Activities	**(50,525)**	(160,936)	**(9,107)**	(4,595)
Financing Activities				
Due from parent company	**28,868**	288,604	**6,851**	470,149
Common shares issued to parent company	**-**	100,000	**-**	100,000
Investment in preferred shares of parent company	**-**	(671,844)	**-**	(671,844)
Due to director	**-**	(1,000)	**-**	-
Cash Provided by (Used In) Financing Activities	**28,868**	(283,240)	**6,851**	(101,695)
Increase (decrease) in cash for the period	**(21,657)**	(444,176)	**(2,256)**	(106,290)
Cash at beginning of period	**22,803**	539,532	**3,402**	201,646
Cash at end of period	**$ 1,146**	$ 95,356	**$ 1,146**	$ 95,356

The accompanying notes are an integral part of these financial statements

1. Governing Statutes and Nature of Operations

Corporate

CNRP Mining Inc. ("CNRP" or the "Company") was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a development stage mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. CNRP is 85.3% owned by Winston Resources Inc., a Canadian public company. CNRP is a public company whose common shares are listed for trading on the CNSX under the symbol "CND". The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5.

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company is newly incorporated and has recently acquired its first exploration and evaluation assets ("E&E"), as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a newly incorporated Company, that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E share purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at April 30, 2014, the Company has yet to generate revenues from operations and had a deficit of $1,233,888. CNRP has no proven history of profitability, which casts considerable doubt as to whether the Company will be able to continue as a going concern over the next twelve months should it not be able to obtain the necessary financing to fund working capital and capital expenditures.

3. (a) Statement of Compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC")

These financial statements were authorized for issuance by the Board of Directors of the Company on June 13, 2014.

(b) Basis of Presentation

These interim financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting, as explained in the accounting policies set out in Note 4.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to impairment assessments of E&E, recoverability of HST and the valuation of share-based payments. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

Related Party Transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4. Significant Accounting Policies (Continued)

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

4. Significant Accounting Policies (Continued)

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount at the initial date of acquisition.

Exploration and evaluations assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is put into production or the properties are disposed of either through sale or abandonment.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

Comprehensive loss

Comprehensive loss is the change in equity of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners.

Comprehensive loss is comprised of net loss for the period and other comprehensive income/loss. The standard requires certain gains and losses that would otherwise be recorded as part of net loss to be presented in "other comprehensive income" until they are considered appropriate to recognize into

The Company had no comprehensive income or loss transactions, other than its net loss, nor has the Company accumulated other comprehensive income/loss during the period presented.

4. Significant Accounting Policies (Continued)

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares

Financial instruments

<u>Fair value through profit or loss</u>

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income or expense during the period.

<u>Other financial liabilities</u>:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

4. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's cash is considered Level 1 in the hierarchy.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants and the conversion of preferred shares that are used to purchase common shares at the average market price during the period.

Future Accounting Policies

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- IFRS 9 Financial Instruments
  IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

4. Significant Accounting Policies (Continued)

Future Accounting Policies (Continued)

- IAS 32 Offsetting Financial Assets and Liabilities
  IAS 32, this amendment clarifies certain aspects of offsetting and net and gross settlement. The Company has not yet determined the effect of adoption of amendment to IAS 32 on its financial statements.

The Company has not early adopted these standards. The Company is currently assessing the impact the application of these standards may have on the consolidated financial statements of the Company.

5. Financial Risk Management

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company’s assets most susceptible to credit risk is its cash, which is held at a major Canadian bank in a non-interest bearing account, HST recoverable, which is due from the Canadian government, as well as the related party receivables. As such, the risk of loss on these assets is minimal.

Market Risk
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company’s projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at April 30, 2014, the Company had $1,146 in cash. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program, fund the property purchase obligations, and meet general and administration expenses for the next twelve months.

(Expressed in Canadian Dollars)

5. Financial Risk Management (Continued)

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of silver and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of silver can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying values of the Company's financial instruments approximate fair values.

The Company has designated its cash at fair value through profit and loss. The HST receivable is classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Trade payables and accrued liabilities are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost. The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	April 30, 2014	July 31, 2013
Financial Assets		
Fair value through profit and loss		
Cash	$ 1,146	$ 22,803
Financial Liabilities		
Other financial liabilities		
Trade payables and accrued liabilities	62,975	49,787

6. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

7. Exploration and Evaluation Assets

	Balance at July 31, 2013	Property Acquisition Costs	Exploration Expenditure	Disposal	Balance at April 30, 2014
New Brunswick					
Elmtree	$ 7,703,760	$ -	$ -	$ -	$ 7,703,760
	$ 7,703,760	$ -	$ -	$ -	$ 7,703,760

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (Continued)

	Balance at July 31, 2012	Property Acquisition Costs	Exploration Expenditure	Disposal	Balance at July 31, 2013
Ontario					
Riverbank and Broke Back	$ 300,000	$ -	$ -	$ (300,000)	$ -
New Brunswick					
Elmtree	7,703,760	-	-	-	7,703,760
	$ 8,003,760	$ -	$ -	$ (300,000)	$ 7,703,760

Riverbank and Broke Back

The properties are located in Sachigo sub-province, Ontario. The Broke Back property consists of 18 unpatented mining claims covering an area of approximately 4096 ha and the Riverbank property consists of 8 unpatented mining claims covering approximately 1392 ha. CNRP acquired from Green Swan Capital Corp an option on the properties with Melkior Resources Inc whereby it can obtain up to a 70% ownership interest in the properties.

Pursuant to an agreement dated October 12, 2012, CNRP sold to Zara Resource Inc. (“Zara”), a company under common control, all its rights, title and interest in Riverbank and Broke Back for $300,000 payable in common shares of Zara. The Zara shares were delivered to Winston, thereby creating an intercompany debt between CNRP and Winston. Following approval by Winston at a Special Meeting held on April 15, 2013, the debt obligation was paid in full by the issuance of preferred share in Winston.

Elmtree

The Elmtree Gold Project consists of 83 claims that cover a contiguous area of approximately 1,811 hectares. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 5,016,155 (post-consolidation) common shares, $500,000 in cash, $250,000 of which is payable on the date that is six months from closing with the balance of $250,000 payable twelve months from closing. The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 (post-consolidation) common shares, $300,000 in cash, $100,000 of which was payable on the date of closing, $100,000 payable six months from closing, and $100,000 payable twelve months from closing.

(Expressed in Canadian Dollars)

8. Share Capital

(i) ***Authorized Capital***

The Company's authorized share capital consists of:

(a) an unlimited number of common shares without par value.

(b) an unlimited number of Preferred Shares issuable in series. The amendment authorizes the directors to determine the maximum number of shares of any series of Preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the Preferred Shares of any series

(ii) ***Stock Options***

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The following table summarizes the activity in the Plan over the period.

	Fair Value	Number of Options	Weighted Average Exercise Price
Outstanding, July 31, 2012	-	-	$ -
Granted – May 2013	626,000	1,400,000	0.60
Outstanding, July 31, 2013 and April 30, 2014	626,000	1,400,000	$ 0.60
Exercisable, July 31, 2013 and April 30, 2014	**626,000**	**1,400,000**	$ 0.60

The following table sets out the details of the stock options granted and outstanding as at April 30, 2014:

Number of stock options	Remaining contractual life	Exercise price per share	Expiry Date
1,150,000	4.08 years	$ 0.60	May 30, 2018
250,000	1.08 years	0.60	May 30, 2015
1,400,000	3.54 years	$ 0.60	

8. Share Capital *(continued)*

(iii) ***Share Consolidation***

On February 18, 2013, the Company approved the consolidation of its 49,520,000 issued and outstanding common shares into 13,800,000 common shares without par value.

(iv) ***Common Share Subscription***

On February 18, 2013, CNRP accepted a common share subscription from Winston for 200,000 post consolidation common shares at $0.50 per share for total cash consideration of $100,000.

(v) ***Shares Issued on Debt Settlement***

On June 10, 2013, the Company effected a conversion of $10,000 of trade debt into common shares of CNRP at $0.20 per share. The debt conversion resulted in the issuance of 50,000 common shares. The debt was related to market research consultancy fees payable to an arm's length party.

9. Related Party Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. The amount of the due from the parent company (Winston Resources Inc.) in the amount of $174,013 at April 30, 2014 (July 31, 2013 - $216,940) is payable on demand and is interest-free.

The Company incurred management fees expenses of $Nil (2013 - $Nil) to a private company controlled by an officer, for the provision of management services. As at April 30, 2014, the amount of $33,900 (July 31, 2013 - $33,900) was owed thereto and has been included in trade payables and accrued liabilities.

At April 30, 2014, the Company is owed $30,000 (July 31, 2013 - $30,000) from a company that is controlled by the Company's parent. This amount is non-interest bearing and without fixed terms of repayment.

10. Acquisition of CNRP Resources Inc.

On April 30, 2012, CNRP and Winston entered into a Share Exchange Agreement under which CNRP's shareholders exchanged their shares for Winston shares on a 1:1 basis. On June 22, 2012, the transaction closed, resulting in Winston acquiring CNRP. Furthermore on February 19, 2013, the Company entered into a plan of arrangement with Winston as detailed in Note 14.

(Expressed in Canadian Dollars)

11. Mineral Properties Purchase Price Payable

The Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. $350,000 of which is payable on the date which is six months from completion of the reverse takeover transaction and the balance of $350,000 payable on the date that is twelve months from completion.

On January 24, 2013 the Company agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of $250,000 to Castle and $100,000 to Stratabound to June 22, 2013. The payments due on June 22, 2013 were not made. As a result of the extension to June 22, 2013, the Company agreed to pay $5,000 interest to Stratabound and $12,500 interest to Castle. As a result of not meeting the June 22, 2013 extension, the Company agreed to monthly interest payments to Castle of $4,167 on its $500,000 obligation commencing in July 2013. On November 1, 2013, the Company suspended its $4,167 monthly payment to Castle and accordingly no further interest payments will be made. Currently, the Stratabound obligation of $200,000 is interest free. During the period ended April 30, 2014, the Company recognized $12,500 (2013 - $84,351) interest expense on the property obligations.

A summary of this obligation is as follows:

	April 30, 2014	July 31, 2013
Face value of purchase price payable	**$ 700,000**	$ 700,000
Less: Imputed interest at 22% per annum	**-**	-
Fair value of purchase price payable	**$ 700,000**	$ 700,000

12. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	April 30, 2014	April 30, 2013
Loss before income taxes	**$(55,349)**	$(113,339)
Combined statutory rate	**26.50%**	26.50%
	(15,000)	(30,000)
Interest accretion	**-**	21,000
Benefit of losses (not recognized)	**15,000**	9,000
	-	-

As at April 30, 2014, the Company has Canadian non-capital losses of approximately 164,000 (July 31, 2013 - $109,000) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2033	$ 109,000
2034	55,000
	$ 164,000

(Expressed in Canadian Dollars)

12. Income Taxes (Continued)

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	April 30, 2014	July 31, 2013
Benefit of losses	**$ 44,000**	$ 30,000
Mineral property exploration	**79,000**	79,000
Less: valuation allowance	**(123,000)**	(109,000)
	$ -	$ -

13. Investment in Preferred Shares of Parent Company

During the year ended July 31, 2013, the Company entered into a debt conversion agreement with its parent company (Winston Resources Inc.) whereby it agreed to settle a portion of the outstanding debt in the amount of $671,844 for subscript ion of 671,844 preferred shares of Winston Resources Inc. The preferred shares subscription received approval on April 15, 2013 by a special resolution by Winston Shareholders creating the preferred shares. This investment has been classified as long-term as it is management's intention to hold the investment long-term.

14. Plan of Arrangement

On February 19, 2013 Winston announced that its board of directors had unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP. Following the spin-off, CNRP applied for listing of its common shares on the CNSX. The spin-off was transacted by way of a statutory plan of arrangement (the "CNRP Plan") under the Business Corporations Act (British Columbia). Pursuant to the terms of the CNRP Plan, Winston distributed 2,064,982 of the outstanding 14,000,000 common shares of CNRP to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the CNRP Plan received one common share in the capital of CNRP for every thirty-two common shares in the capital of Winston. A special meeting of Winston shareholders was held on April 15, 2013 at which the shareholders voted and approved the CNRP Plan. Court approval was also obtained and spin-off was completed shortly thereafter. On April 17, 2013, the Company announced its common shares were now listed on the CNSX under the symbol "CND".