KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)
FINANCIAL STATEMENTS

For the years ended April 30, 2014 and April 30, 2013

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Kettle River Resources Ltd.

We have audited the accompanying financial statements of Kettle River Resources Ltd., which comprise the statements of financial position as at April 30, 2014 and 2013, and the statements of operations and comprehensive loss, cash flows and changes in equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Kettle River Resources Ltd. as at April 30, 2014 and 2013, and its financial performance 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 financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Kettle River Resources Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

August 20, 2014

KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Financial Position

(Expressed in Canadian Dollars)

AS AT

		April 30, 2014		April 30, 2013
ASSETS				
CURRENT ASSETS				
Cash	**$**	**1,103**	$	1,103
Accrued interest and other amounts receivable		**630**		375
Investments (Note 3)		**51,758**		92,385
Prepaid expenses		**4,453**		4,424
		57,944		98,287
Reclamation bond		**5,000**		5,000
Property, plant and equipment (Note 4)		**49,923**		51,798
Exploration and evaluation assets (Note 5)		**3**		3
	$	**112,870**	$	155,088
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities		**41,134**		28,739
Cheques written in excess of funds on hand		**9,700**		15,979
Due to related parties (Note 7)		**5,697**		5,424
Loan payable (Note 8)		**561,000**		408,500
		617,531		458,642
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Deficit		**(14,473,843)**		(14,316,738)
Accumulated other comprehensive income		**(79,771)**		(35,769)
		(14,553,614)		(14,352,507)
Capital stock (Note 6)		**13,141,642**		13,141,642
Reserves (Note 6)		**907,311**		907,311
		(504,661)		(303,554)
	$	**112,870**	$	155,088

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on August 20, 2014.

"Ellen Clements"

Ellen Clements, Director

"John Jewitt"

John Jewitt, Director

See accompanying notes to the financial statements

KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

Years ended April 30, 2014 and 2013

		2014		2013
MINERAL EXPLORATION ACTIVITIES				
Exploration costs (Note 5)	**$**	**29,398**	$	54,276
Less: Government assistance		**-**		(4,704)
		29,398		49,572
OPERATING COSTS AND EXPENSES				
Accounting, audit and legal		**33,140**		26,953
Advertising, promotion and printing		**4,119**		4,882
Depreciation		**118**		148
Licenses, insurance, and transfer agent fees		**21,843**		14,991
Management fees, salary and wages		**31,702**		59,627
Office building expenses		**4,721**		5,926
Office, interest and sundry (Note 7)		**31,940**		22,117
Telephone		**2,359**		1,722
Travel and accommodation		**1,200**		378
		131,142		136,744
Gain on option on exploration and evaluation asset (Note 5)		**(3,375)**		(15,188)
Interest and equipment rental		**(60)**		(79)
		(3,435)		(15,267)
NET LOSS FOR THE YEAR		**(157,105)**		(171,049)
OTHER COMPREHENSIVE LOSS				
Unrealized (loss) on available-for-sale investments (Note 3)		**(44,002)**		(129,286)
COMPREHENSIVE LOSS FOR THE YEAR		**(201,107)**		(300,335)
Weighted average number of common shares outstanding		**27,716,711**		27,716,711
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.01)

See accompanying notes to the financial statements.

KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Cash Flows

(Expressed in Canadian Dollars)

Years ended April 30, 2014 and 2013

		2014		2013
Cash provided by (used for):				
Operating Activities				
Net loss for the year	**$**	**(157,105)**	$	(171,049)
Items not involving the use of cash:				
Depreciation		**1,875**		2,007
Gain on option of exploration and evaluation asset		**(3,375)**		(15,188)
Changes in non-cash working capital:				
Prepaid expenses		**(29)**		15
Accrued interest and other amounts receivable		**(255)**		(51)
Accounts payable and accrued liabilities		**12,395**		(18,018)
		(146,494)		(202,284)
Financing Activities				
Loan payable advances		**152,500**		178,500
Due to related parties		**273**		2,513
		152,773		181,013
Increase (Decrease) in cash		**6,279**		(21,271)
Cash, beginning of year		**(14,876)**		6,395
Cash, end of year	**$**	**(8,597)**	$	(14,876)
Cash represented by				
Cash on hand		**1,103**		1,103
Cheques written in excess of funds on hand		**(9,700)**		(15,979)
		(8,597)		(14,876)

Supplementary Schedule				
Interest paid	**$**	**28,567**	$	19,253
Shares acquired on option of property	**$**	**3,375**	$	15,188
Taxes paid	**$**	**-**	$	-

See accompanying notes to the financial statements.

KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

Years ended April 30, 2014 and 2013

	Number of shares	Capital stock	Accumulated Other Comprehensive Income	Reserve	Deficit	Total Equity
		$	$	$	$	$
April 30, 2012	27,716,711	13,141,642	93,517	907,311	(14,145,689)	(3,219)
Unrealized loss on available -for-sale investments	-	-	(129,286)	-	-	(129,286)
Net loss for the year	-	-	-	-	(171,049)	(171,049)
April 30, 2013	27,716,711	13,141,642	(35,769)	907,311	(14,316,738)	(303,554)
Unrealized loss on available -for-sale investments	**-**	**-**	**(44,002)**	**-**	**-**	**(44,002)**
Net loss for the year	**-**	**-**	**-**	**-**	**(157,105)**	**(157,105)**
April 30, 2014	**27,716,711**	**13,141,642**	**(79,771)**	**907,311**	**(14,473,843)**	**(504,661)**

1. NATURE AND CONTINUANCE OF OPERATIONS

Kettle River Resources Ltd. (the "Company") was incorporated October 17, 1980 under the laws of British Columbia and is engaged in the exploration, development and evaluation of mineral resources. The address of the Company's corporate office and principal place of business is 1215 Greenwood Street, Greenwood, BC V0H 1J0. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These financial statements have been prepared on the going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses over the past several fiscal years (2014 - $157,105, 2013 - $171,049), has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going concern will be impaired. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation,

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These annual financial statements have been prepared on a historical cost basis and use the accrual basis of accounting, except for financial instruments classified as fair value through profit or loss and available for-sale which are stated at their fair value. The financial statements have been presented in Canadian dollars unless otherwise noted. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow informal.

These annual financial statements were reviewed by the Audit Committee and were approved and authorized for issue by the Board of Directors on August 20, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income 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 estimates are revised and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for the next year – as discussed in Note 1.

Key sources of estimation uncertainty:

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our financial statements include:

- *Income taxes*

  The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

c) Exploration and evaluation assets and expenditures

Once a permit to explore an area has been secured, expenditures on exploration and evaluation assets are expensed as incurred and charged to net loss.

Exploration expenditures relate to the initial search for mineral deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Such expenditures include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Any option payments or royalty sales received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral interest. If payments received exceed the capitalized cost of the mineral interest, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is recorded on the declining balance basis at the rates indicated in Note 4 and is allocated within operations between depreciation expense and exploration costs based on the nature of the asset and the relative percentages of its use. In the year of acquisition depreciation is recorded at one half of its normal rate.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment of non-financial assets

At each reporting period, management reviews all non-financial assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

Provisions for closure and reclamation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the closure and reclamation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss. For the years presented, the Company does not have any significant future reclamation costs.

g) Income taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in statements of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Capital Stock

The Company records proceeds from equity issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the agreement to issue shares was concluded.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

i) Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statement of operations. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets and liabilities "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method.

The Company has classified its cash and cheques written in excess of funds on hand, and reclamation bonds as fair value through profit and loss. Accrued interest and other amounts receivable are classified as loans and receivables, and investments are classified as available-for-sale. The Company's accounts payable and accrued liabilities, due to related party, and loans payable are classified as other financial liabilities.

IFRS establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

See Note 10 for relevant disclosures.

j) Share-based payments

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payments is measured using the Black-Scholes option pricing model. The fair value of the share-based payments is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

k) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated whereby the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

l) Comprehensive loss

Comprehensive loss consists of net loss and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, comprehensive loss includes holding gains and losses from financial instruments classified as available-for-sale.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES - continued

m) Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective May 1, 2013, the following standards were adopted but have had no material impact on the financial statements.

- IAS 1 (Amendment): This standard is amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- IFRS 7 (Amendment): This standard is amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities.
- IFRS 10: New standard to establish principles for the presentation and preparation of consolidated financial statements, effective for annual periods beginning on or after January 1, 2013.
- IFRS 11: New standard to account for the rights and obligations in accordance with a joint agreement, effective for annual periods beginning on or after January 1, 2013.
- IFRS 12: New standard for the disclosure of interest in other entities not within the scope of IFRS 9 / IAS 39, effective for annual periods on or after January 1, 2013.
- IFRS 13: New standard on the measurement and disclosure of fair value, effective for annual periods beginning on or after January 1, 2013.
- IAS 27 (Amendment): As a result of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 27 deals solely with separate financial statements, effective for annual periods beginning on or after January 1, 2013.
- IAS 28 (Amendment): New standard issued that supersedes IAS 28 (2003) to prescribe the application of the equity method to investments in associates and joint ventures, effective for annual periods beginning on or after January 1, 2013.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2014. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.
- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

3. INVESTMENTS

Company Name	Number of Shares	**Carrying Value April 30, 2014**	Carrying Value April 30, 2013
Publicly traded			
New Nadina Explorations Limited	1,782,582	**$ 35,651**	$ 71,303
Taseko Mines Limited	4,676	**11,082**	11,082
Golden Dawn Minerals Inc.	167,500	**5,025**	10,000
		$ 51,758	$ 92,385

	April 30, 2014	April 30, 2013
Available-for-sale:		
Opening balance - cost	**$ 133,463**	$ 118,276
Securities acquired - cost	**3,375**	15,187
Closing balance – cost	**136,838**	133,463
Unrealized loss	**(85,080)**	(41,078)
Closing balance –market price	**$ 51,758**	$ 92,385

(Expressed in Canadian Dollars)

3. INVESTMENTS - continued

Marketable securities are accounted for using the fair value method with level 1 quoted prices.

NEW NADINA EXPORATIONS LIMITED: The Company on April 30, 2014 and 2013 owned 1,782,582 common shares in New Nadina Explorations Limited ("New Nadina"). New Nadina has two directors, the President and a director, in common with the Company. The quoted market value of the common shares was $0.02 per share on April 30, 2014 (2013 - $0.04 per share).

TASEKO MINES LIMITED: The Company holds 4,676 common shares of Taseko Mines Limited (received from exchange of 9,300 preferred shares of Continental Minerals Corp.). The quoted market value of these shares on April 30, 2014 was $2.37 per share (2013 - $2.37 per share).

GOLDEN DAWN MINERALS INC.: Related to the Tam O'Shanter mineral property agreement Golden Dawn Minerals Inc. ("Golden Dawn") issued the Company 150,000 common shares in 2011, a further 337,500 in December 2011 and during the current year, an additional 337,500. Two roll backs in Golden Dawn shares leaves the Company holding 167,500 common shares.

The quoted market value of the 167,500 common shares was $0.03 per share on April 30, 2014 (2013 - $0.10 per share post consolidation). The Tam O'Shanter agreement has been terminated during this period.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Paving (1)	Buildings (1)	Mining Equipment (1)	Office equipment	Trailer	Total
	$	$	$	$	$	$	$
Depreciation rate	-	8%	4%	30%	20%	30%	
Cost							
Balance as at April 30, 2014, 2013 and 2012	**10,000**	**4,861**	**86,401**	**117,557**	**53,972**	**8,890**	**281,681**
Accumulated depreciation							
Balance as at April 30, 2012	-	3,441	45,064	117,248	53,233	8,890	227,876
Depreciation for the year	-	114	1,653	93	147	-	2,007
Balance as at April 30, 2013	-	3,555	46,717	117,341	53,380	8,890	229,883
Depreciation for the year	**-**	**105**	**1,587**	**65**	**118**	**-**	**1,875**
Balance as at April 30, 2014	**-**	**3,660**	**48,304**	**117,406**	**53,498**	**8,890**	**231,758**
Net book value							
At April 30, 2013	10,000	1,306	39,684	216	592	-	51,798
Balance as at April 30, 2014	**10,000**	**1,201**	**38,097**	**151**	**474**	**-**	**49,923**

(1) Depreciation associated with these items is included in exploration costs (Note 5).

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

Acquisition Costs	
Greenwood Area	**1**
Arcadia (Skylark) – Greenwood Area	**1**
DHK Diamonds Inc. – NWT	**1**
Silica Quarry - Saskatchewan	**-**
Total exploration and evaluation assets as at April 30, 2014, 2013 and 2012	**$ 3**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES- continued

Exploration expenditures by property for the year ended April 30, 2014	**Greenwood Area, BC**	**DHK NWT**	**Pellatt Lake, NWT**	**Silica Quarry 50% Sask**	**Total**
Depreciation	**$ 1,757**	**$ -**	**$ -**	**$ -**	**$ 1,757**
Direct charges – wages	**10,100**	**2,100**	**-**	**200**	**12,400**
Exploration costs (1)	**7,638**	**496**	**100**	**-**	**8,234**
Storage (samples& equipment)	**2,964**	**-**	**-**	**-**	**2,964**
Property and mineral taxes	**3,928**	**-**	**-**	**-**	**3,928**
Travel & accommodation	**-**	**115**	**-**	**-**	**115**
TOTAL:	**$ 26,387**	**$ 2,711**	**$ 100**	**$ 200**	**$ 29,398**

Exploration expenditures by property for the year ended April 30, 2013	Greenwood Area, BC	DHK NWT	Pellatt Lake, NWT	Silica Quarry 50% Sask	2013 Total
Assessment, filing fees, membership	$ 3,549	$ -	$ -	$ -	$ 3,549
Depreciation	1,860	-	-	-	1,860
Direct charges – wages	9,800	1,950	200	50	12,000
Exploration costs (1)	20,435	375	75	-	20,885
Property costs	834	-	7,765	-	8,599
Property and mineral taxes	3,499	-	-	-	3,499
Roadwork/reclamation	180	-	-	-	180
Storage (samples & equipment)	2,985	-	-	-	2,985
Travel & accommodation	719	-	-	-	719
Subtotal:	43,861	2,325	8,040	50	54,276
Less: Government Assistance	(4,704)	-	-	-	(4,704)
TOTAL:	$ 39,157	$ 2,325	$ 8,040	$ 50	$ 49,572

(1) Exploration costs include equipment costs; freight/delivery expense; geology/geophysics/geochemical expenses; physical work, sampling, reclamation costs and allocation of office and overhead expenses relating to exploration activities.

The DHK exploration costs represent what the Company has paid for its share of all related exploration program costs on the WO and Pellatt Lake claim blocks in the Northwest Territories.

a) GREENWOOD AREA – Greenwood Mining Divisions, Southern BC:

The Company owns a 100% interest in certain properties comprising approximately 10,000 hectares of mineral tenure of which a portion is inclusive of surface rights in the Greenwood Mining Division of British Columbia. The Company is actively exploring for gold, silver, other base metals and industrial mineral potential. Properties within the Greenwood Area include Phoenix (Battle Zone), Bluebell (Minnie Moore), Phoenix Tailings, Haas Creek, Rad group, Arcadia (Skylark), Tam O'Shanter and Niagara.

Tam O'Shanter: In 2011 Golden Dawn Minerals Inc. ("Golden Dawn") optioned the Tam O'Shanter property to earn a 100% interest by making cash payments totaling $240,000 over three years plus the issuance of shares and a commitment to expend $2 million dollars in exploration over four years. A 3% Net Smelter Returns royalty ("NSR"), was retained by the Company, with Golden Dawn having the option to purchase 2% of the NSR for $3 million.

There were no recent cash payments made and in 2014 the agreement was eventually terminated with only $85,000 of the $240,000 received. Data, files and core have not yet been delivered to the Company and the property was returned in good standing until January 31, 2023.

During the current year, Golden Dawn issued 67,500 post-consolidated common shares with a value of $3,375 in connection with this option agreement. (67,500 post-consolidated shares with a book value of $15,188 were issued during the year ended April 30, 2013).

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES - continued

b) DHK DIAMONDS INC. – Northwest Territories:

DHK Diamonds Inc. (“DHK”) is a private company incorporated and registered in the Northwest Territories, currently owned by Kettle River Resources Ltd. (43.37%), Dentonia Resources Ltd. (“Dentonia”) (43.37%), and Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) owning 13.26%.

Operations and funding provisions of DHK are governed by a 1992 Shareholders’ Agreement where each shareholder appoints two directors to the board and certain activities require 75% board approval.

WO Joint Venture - DHK has a 10.3141% contributing interest in the WO Joint Venture operated by Peregrine Diamonds Ltd. (“Peregrine”).

c) Pellatt Lake Property - Nunavut

On December 13, 2013 the three leases at Pellatt Lake were allowed to lapse as a JV partner was not found and it was determined there was unlikely potential for economic diamonds considering previous exploration activity. The Pellatt Lake claim block was located north of Yellowknife and is in proximity of the EKATI Diamond Mine. The Company held a 100% interest in the Pellatt Lake Claim Block, the three mining leases were subject to a gross overriding royalty of 1%.

d) Monument Property (formerly DHK Claim Block) south shore of Lac de Gras

Through an agreement dated October 24, 2003 DHK holds a 1% gross overriding royalty on three leases explored for diamond potential, owned (57.49%) and operated by New Nadina.

e) Silica Quarry - Saskatchewan:

The Company holds a 50% participating interest in a Silica Quarry Lease in Saskatchewan. The current approved lease is valid until December 11, 2014.

6. CAPITAL STOCK AND RESERVES

a) Authorized: Unlimited common shares without par value

b) Share purchase warrants:

As at April 30, 2014 and 2013 the Company has no warrants outstanding.

c) Share purchase options:

The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company’s Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date and subject to the approval of the TSX Venture Exchange. The options vest as determined by the Board of Directors.

As at April 30, 2014 there are 1,375,000 (2013 - 1,600,000) options outstanding and exercisable.

(Expressed in Canadian Dollars)

6. CAPITAL STOCK AND RESERVES - continued

c) Share purchase options: - continued

The following stock options were outstanding and exercisable at April 30, 2014:

	Number of Shares	Exercise Price $	Weighted average years to expiry	Expiry date
Options – beginning of year	1,600,000	0.10		July 20, 2015
Cancelled	**(225,000)**	0.10		July 20, 2015
Options – end of year	**1,375,000**	**0.10**	**1.22**	**July 20, 2015**

d) Reserves
Reserves consist of amounts recorded for the value of stock options issued.

7. RELATED PARTY TRANSACTIONS
Related part transactions not disclosed elsewhere in these statements are as follows:
As at April 30, 2014 unsecured advances of $15,140 (2013 - $14,209) were due to directors, $5,224 (2013 - $4,972) was due from New Nadina for office expense reimbursements and $4,219 (2013 - $3,813) was due from DHK mainly for reimbursement of a Pellatt Lake mining lease payment and operator costs. The Company has a net payable of $5,697 as at April 30, 2014 (2013 – net payable of $5,424).

Related party transactions:
The Company incurred the following transactions with directors and officers of the Company.

	2014	2013
	$	$
Storage of equipment and samples	**2,700**	2,700
Office reimbursement and rentals	**4,800**	4,800
Loan interest (Note 8)	**29,453**	19,038
	36,953	26,538

Key management personnel compensation:

	2014	2013
	$	$
Management salaries and wages	**54,000**	72,000

During the current year a total of $46,050 (2013 - $52,335) was recovered from New Nadina for office and secretary expenses and reimbursement of expenses.

All advances, unless otherwise noted, are unsecured, bear no interest and have no fixed terms of repayment.

8. LOAN PAYABLE

On January 20, 2009, a loan agreement was approved by the TSX Venture Exchange whereby the President of the Company would advance up to $75,000, increased by verbal agreement, to be secured by a first mortgage on the Company's property located at 1215 Greenwood Street, Greenwood, BC and bearing interest at CIBC prime plus 3%. This loan had a term of 3 years but was subsequently extended to six years by the President and Directors of the Company and is due January 11, 2015. During the current year, the Company was advanced a total of $152,500 (2013 - $178,500) under this agreement and repaid $Nil (2013 - $Nil) along with interest expense of $29,453 (2013 - $19,038). As at April 30, 2014 a balance of $561,000 with accrued interest of $2,765 included in due to related parties was outstanding (2013 - $408,500 plus accrued interest of $1,878) and subsequently a further $21,500 was advanced to August 20, 2014.

(Expressed in Canadian Dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2014	2013
Net loss for the year	**$ (157,105)**	$ (171,049)
Expected income tax (recovery)	**$ (41,000)**	$ (42,762)
Change in statutory rates, and other	**(233,000)**	(115,238)
Change in unrecognized deductible temporary differences	**274,000**	158,000
Total income tax expense (recovery)	**$ -**	$ -

The Canadian income tax rate rose during the year due to changes in the law that increased corporate income tax rates in Canada.

The significant components of the Company's unrecorded deferred tax assets are as follows:

	2014	2013
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**$ 2,931,000**	$ 2,745,000
Property and equipment	**10,000**	9,000
Marketable securities	**11,000**	5,000
Allowable losses	**11,000**	11,000
Non-capital losses available for future period	**366,000**	282,000
	3,326,000	3,052,000
Unrecognized deferred tax assets	**(3,326,000)**	(3,052,000)
Net deferred tax assets	**$ -**	$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2014	Expiry Date Range	2013	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	**$ 10,474,000**	No expiry date	$ 10,548,000	No expiry date
Investment tax credit	**276,000**	2020 to 2034	3,000	2020 to 2033
Property and equipment	**40,000**	No expiry date	36,000	No expiry date
Marketable securities	**85,000**	No expiry date	42,000	No expiry date
Allowable capital losses	**42,000**	No expiry date	42,000	No expiry date
Non-capital losses available for future period	**1,408,000**	2015 to 2034	1,085,000	2014 to 2033

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk
The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to $1,103 at April 30, 2014 (2013 - $1,103) and a reclamation bond amounting to $5,000 at April 30, 2014 (2013 - $5,000). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities, related party balance and loan payable obligations. The Company did not maintain sufficient cash balances to meet these needs at April 30, 2014.

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

a) Interest Rate Risk
The Company is exposed to interest rate risk on its cash and loan payable. The interest rate on the loan payable is tied to the CIBC prime rate. If the rate had been 1% higher during fiscal 2014 the Company would have incurred an additional $5,649 in interest. The Company mitigates this risk by repaying the loan as soon as practicable.

b) Foreign currency risk
As at April 30, 2014 and 2013, the Company did not have any accounts in foreign currencies and considers foreign currency risk to be insignificant.

c) Price Risk
The Company is exposed to price risk on its holdings of marketable securities including shares of New Nadina Explorations Limited, Taseko Mines Limited and Golden Dawn Minerals Inc. Prices for these shares are volatile and the Company has no specific policy to manage this risk. Unrealized gains and losses are reported in other comprehensive loss.

Fair Value of Financial Instruments
The carrying value of all of the Company's financial instruments approximate their fair value due to their short term nature. Cash, reclamation bond, investments and cheques written in excess of funds on hand, being the financial instruments carried at fair value, are measured using level 1 inputs. Accrued interest and other amounts receivable, accounts payable and accrued liabilities, due to related parties, and loan payable approximate their fair value due to their demand nature, and their short terms to maturity.

During the years ended April 30, 2014 and 2013, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

11. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements. There were no changes in the Company's approach to capital management during the year.