XIMEN MINING CORP.

INTERIM FINANCIAL STATEMENTS

September 30, 2014

(Unaudited-Prepared by Management)

Head Office

Suite 888
888 Dunsmuir Street
Vancouver, BC

V6C 3K9

Ximen Mining Corp.
Statements of Financial Position
(Unaudited - Prepared by Management)

		September 30, 2014	June 30, 2014
ASSETS			
Current			
	Cash and Cash Equivalents	$ 32,908	$ 155,526
	GST/HST Recoverable	111,220	95,691
	Subscription Receivable	76,150	-
	Prepaid Expenses	123,685	166,388
	Due from Related Parties	-	153,653
		343,963	571,258
	Loan Receivable	69,000	64,750
	Property and Equipment	128,057	131,376
	Exploration and Evaluation Assets	1,100,776	-
		$ 1,641,797	$ 767,384
LIABILITES			
Current			
	Accounts Payable and Accrued Liabilities	$ 799,722	$ 651,796
	Loans Payable	104,500	-
		904,222	651,796
SHAREHOLDERS' DEFICIT			
	Share Capital	10,231,292	8,926,571
	Subscription Received	166,000	251,000
	Share-Based Payment Reserve	73,580	73,580
	Deficit	(9,733,296)	(9,135,563)
		737,575	115,588
		$ 1,641,797	$ 767,384

APPROVED BY THE DIRECTORS

"Chris Anderson"	*"Patrick Forseille"*
Chris Anderson	Patrick Forseille

The accomanying notes are an integral part of these financial statements

Ximen Mining Corp.
Statements of Changes in Equity
(Unaudited - Prepared by Management)

	Number of Common shares	Share Capital $	Subscriptions Received $	Share-Based Payment Reserve $	Deficit $	Total shareholder's Deficiency $
Balance, June 30, 2013	**2,607,826**	**5,060,052**	**25,000**	**79,641**	**(5,670,733)**	**(506,040)**
Shares Issued for Cash, Net of Share Issuance Costs	1,150,000	115,000	-	-	-	115,000
Subscriptions Received	-	-	115,000	-	-	115,000
Net Comprehensive Loss	-	-	-	-	(100,510)	(100,510)
Balance, September 30, 2013	**3,757,826**	**5,175,052**	**140,000**	**79,641**	**(5,771,243)**	**(376,550)**
Shares Issued for Exploration and Evaluation Assets	1,250,000	369,500	-	-	-	369,500
Shares Issued for Settlement of Debts	1,870,200	490,100	-	-	-	490,100
Shares Issued for Cash, Net of Share Issuance Costs	4,345,636	1,315,430	-	-	-	1,315,430
Exercise of Share Purchase Warrants	2,550,734	1,388,470	-	-	-	1,388,470
Expiry of Share Purchase Warrants	-	-	-	(59,800)	59,800	-
Fair Value of Agent's Warrants Issued	-	(41,152)	-	41,152	-	-
Exercise of Agents' Warrants	50,349	85,079	-	(34,730)	-	50,349
Expiry of Agents' Warrants	-	-	-	(14,672)	14,672	-
Exercise of Stock Options	243,550	144,092	-	(83,204)	-	60,888
Share-Based Payments	-	-	-	145,193	-	145,193
Subscriptions Received	-	-	111,000	-	-	111,000
Net Comprehensive Loss	-	-	-	-	(3,438,792)	(3,438,792)
Balance, June 30, 2014	**14,068,295**	**8,926,571**	**251,000**	**73,580**	**(9,135,563)**	**115,588**
Shares Issued for Exploration and Evaluation Assets	817,391	298,000				**298,000**
Shares Issued for Cash, Net of Share Issuance Costs	1,707,219	938,971				**938,971**
Exercise of Share Purchase Warrants	70,000	62,000				**62,000**
Exercise of Stock Options	23,000	5,750				**5,750**
Subscriptions Received	-	-	(85,000)			**(85,000)**
Net Comprehensive Loss					**(597,733)**	**(597,733)**
Balance, September 30, 2014	**16,685,905**	**10,231,292**	**166,000**	**73,580**	**(9,733,296)**	**737,576**

The accompanying notes are an integral part of these financial statements.

Ximen Mining Corp.
Statements of Comprehensive Loss
(Unaudited - Prepared by Management)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013
EXPENSES		
Accounting, Audit and Legal	$ 30,511	$ 11,819
Bank Charges and Interests	1,722	102
Consulting	211,518	46,897
Depreciation	3,318	175
Exploration	2,149	1,007
Investor Relations	237,061	2,390
Office and Administration	62,118	32,935
Regulatory	9,144	5,314
Stock-Based Compensation	-	-
Travel and Accommodations	40,192	-
LOSS BEFORE OTHER ITEMS	(597,733)	(100,639)
Interst Income	-	125
NET LOSS FOR THE PERIOD	(597,733)	(100,514)
Other Comprehensive Income	-	-
NET COMPREHENSIVE LOSS FOR THE PERIOD	$ (597,733)	$ (100,514)
POST-SHARE CONSOLIDATION		
Basic and Diluted Loss per Share	(0.04)	(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	15,427,867	3,418,053

The accompanying notes are an integral part of these financial statements.

Ximen Mining Corp.
Statements of Cash Flows
(Unaudited - Prepared by Management)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013
CASH PROVIDED FROM (UTILIZED FOR) OPERATING ACTIVITIES		
Net Loss for the Year	$ (597,733)	$ (100,510)
Non-Cash Items		
Depreciation	3,318	175
	(594,415)	(100,335)
Changes in Non-Cash Working Capital Items		
GST/ HST Recoverable	(15,529)	(4,177)
Prepaid Expenses	42,703	(17,716)
Accounts Payables and Accrued Liabilities	147,925	(38,063)
Other Receivable	(80,400)	(44,350)
Due to/ from Related Parties	153,653	(2,204)
	(346,063)	(206,845)
INVESTING ACTIVITIES		
Proceeds on Mineral Properties	(1,100,776)	-
	(1,100,776)	-
FINANCING ACTIVITIES		
Common Share Subscriptions Received	(85,000)	115,000
Proceeds from Issurance of Shares, Net of Share Issuance Costs	1,304,721	115,000
Loans (Repayment) Proceeds	104,500	- 17,000
	1,324,221	213,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(122,618)	6,155
Cash and Cash Equivalents, Beginning of the Year	155,526	5,543
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 32,908	$ 11,698

Supplemental Cash Flow Information (Note 10)

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on December 4, 2006, as Everett Resources Ltd. and changed its name to Elm Tree Minerals Inc. on March 19, 2012. On September 4, 2013, the Company changed its name to Ximen Mining Corp. In addition, on July 4, 2013, the Company consolidated its share capital, options and warrants on a five (old) to one (new) basis. These financial statements reflect the retroactive application of the share consolidation.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company's shares are listed on the TSX Venture Exchange under the symbol XIM, on the Frankfurt Exchange under the symbol A1W2EG, and on the US OTCQX, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at June 30, 2014, the Company has an accumulated deficit of $9,733,296 and a working capital deficiency (excess of current liabilities over current assets) of $560,259. While the Company believes these amounts will be sufficient to carry out planned exploration expenditures, there remains substantial doubt about the Company's ability to continue as a going concern should it not be able to raise further funds to also meet its corporate and administrative costs beyond the end of the year.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

These audited financial statements were approved and authorized for issue by the Board of Directors on October 28, 2014.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Foreign Currency Translation

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

c) Cash and Cash Equivalents

Cash and cash equivalents include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash and cash investments with institutions of high-credit worthiness.

d) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method of 20% per year.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

e) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognized as income immediately.

g) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2014 and 2013, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

j) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Share-Based Payments (Continued)

During the year ended June 30, 2014, the Company changed its accounting policy, whereby upon the expiry or cancellation of stock options and other share-based payments, their estimated fair value previously recorded into the share-based payment reserve is transferred to deficit. These financial statements reflect the retroactive application of this accounting policy change, which has no net effect on the net loss for the year ended June 30, 2013.

k) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Subscription Received,' 'Share-based Payment Reserve,' and 'Deficit'.

- 'Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year end.
- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- 'Deficit' is used to record the Company's change in deficit from earnings from period to period and to recognize the fair value of stock option grants and warrants after expiry or cancellation.

l) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

m) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash and cash equivalents fall into this category of financial instruments.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's amounts due from related parties and loans receivable fall into this category of financial instruments.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

  Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable and accrued liabilities, loans payable, and amounts due to related parties fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described as follows.

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

b) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

c) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 will replace the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has tentatively been set for January 1, 2018; however, early adoption of the new standard is permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is currently not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given the nature of the Company's operations and the types of financial instruments that it currently holds

NOTE 5 – PROPERTY AND EQUIPMENT

	Computer	Office Furniture	Mining Equipment	Total
COST				
As at July 1, 2012	$ 5,217	$ 4,000	$ -	$ 9,217
Additions	-	-	-	-
				-
As at June 30, 2013	5,217	4,000	-	9,217
Additions	-	-	140,476	140,476
				-
As at September 30, 2014	**$ 5,217**	**$ 4,000**	**$ 140,476**	**$ 149,693**
ACCUMULATED DEPRECIATION				-
As at June 30, 2012	3,038	2,689	-	5,727
Depreciation	436	264	-	700
				-
As at June 30, 2013	$ 3,474	$ 2,953	$ -	$ 6,427
Depreciation	545	330	14,333	15,208
				-
As at June 30, 2014	**$ 4,019**	**$ 3,283**	**$ 14,333**	**$ 21,635**
Net book value				
As at June 30, 2013	**$** 1,743	$ 1,047	$ -	$ 2,790
As at September 30, 2014	**$ 1,198**	**$ 717**	$ **126,143**	**$ 128,058**

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to date on its mineral properties are summarized below.

	Keymet $	Brett $	Gold Drop $	Treasure Mountain $	General Exploration $	Total $
Balance, June 30, 2012	37,500	-	-	-	-	37,500
Write-off of Mineral Property	(37,500)	-	-	-	-	(37,500)
Balance, June 30, 2013	-	-	-	-	-	-
Acquisition Costs	-	621,600	89,500	195,000	-	906,100
Exploration Costs	-	293,993	287,271	5,015	143,237	729,516
Balance, June 30, 2014	-	915,593	376,771	200,015	143,237	1,635,616

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

In December 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments of $1,000,000, issuing 1,000,000 shares (issued) upon signing of the agreement (Note 7(b)(iii)) and receiving TSX approval, and issuing common shares of the Company with a value of $350,000 over two and a half years. The Company paid $300,000 cash during the year ended June 30, 2014.

In January 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty ("NSR") on the Brett Gold Project. Under the terms of the agreement, the Company may acquire 100% of the NSR by issuing common shares of the Company with a value of $145,000 over two years. The Company issued 100,000 shares on February 20, 2014, upon signing the agreement and receiving TSX approval (Note 7(b)(v)).

NOTE 6 – EXPLORATION AND EVALUATION ASSETS (Continued)

b) Gold Drop Property, British Columbia, Canada

In October 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from downtown Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash and stock payments as follows: $25,000 cash (paid) on signing of the Letter of Intent, $15,000 cash (paid), and 150,000 shares (issued, Note 7(b)(vi)) upon TSX approval. On the first anniversary, an additional $60,000 cash (paid) and 250,000 shares are due and on the second anniversary an additional $75,000 cash (paid) and 350,000 shares are due.

Subsequent to year end, the Company issued 600,000 common shares in accordance with the purchase agreement (Note 14(d)).

c) Treasure Mountain, British Columbia, Canada

In March 2014, the Company entered into an option agreement to acquire a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia. Under the terms of the property purchase agreement, the Company may acquire a 100% interest in and to the property by making cash and stock payments as follows: $75,000 (paid) cash upon signing of the agreement, and $50,000 (paid) cash due 90 days after the signing of the agreement. On March 7, 2014, the Company acquired an adjacent mineral claim for a $15,000 (paid) cash payment. On March 24, 2014, the Company paid $55,000 cash and acquired a 100% interest in two surrounding mineral claims.

d) Dentonia, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement with Quadra Coastal Resources Ltd., whereby the Company may acquire a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 150,000 common shares. These shares were issued on October 3, 2014, and were valued at $69,750.

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value.

b) Issued and Outstanding Share Capital

As at September 30, 2014, there were 16,685,905 common shares issued and outstanding.

On July 4, 2013, the Company consolidated its share capital, options, and warrants on a five to one basis. These financial statements reflect the retroactive application of the share consolidation.

NOTE 7 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

The following share issuances occurred during the quarter ended September 30, 2014:

i) On July 30, 2013, the Company completed a private placement of $165,000 ($135,000 in cash and $30,000 in settlement of debt) by issuing 1,650,000 units at a price of $0.10 per unit. Each unit consisted of one common share and one-half non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.20 per share for a period of 18 months.

ii) On October 10, 2013, the Company completed a private placement of $164,000 ($120,000 in cash and $44,000 in settlement of debt) by issuing 820,000 units at a price of $0.20 per unit. Each unit consisted of one common share and one-half non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.30 per share for a period of 18 months.

iii) On December 19, 2013, the Company issued 1,000,000 common shares pursuant to the acquisition of the Brett Property (Note 6(b)) for exploration purposes, with a fair value of $290,000.

iv) On January 31, 2014, the Company completed a private placement of $750,000 ($605,000 in cash and $145,000 in settlement of debt) by issuing 3,000,000 units at a price of $0.25 per unit. Each unit consisted of one common share and one-half non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.50 per share for a period of 18 months. Finders' fees of $5,925 were paid.

v) On February 20, 2014, the Company issued 100,000 common shares pursuant to the acquisition of the Brett Property net smelter royalty with a fair value of $30,000 pursuant to an option agreement (Note 6(b)).

vi) On February 25, 2014, the Company issued 150,000 common shares pursuant to the acquisition of the Gold Drop Property (Note 6(c)) for exploration purposes, with a fair value of $49,500.

vii) On March 17, 2014, the Company completed a private placement of $674,100 ($619,100 in cash and $55,000 in settlement of debt) by issuing 1,225,636 units at a price of $0.55 per unit. Each unit consisted of one common share and one-half non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $1.00 per share for a period of 18 months. Finders' fees of $42,745 were paid and 59,659 agents' warrants were granted. The agents' warrants were valued at $41,152 using the Black-Scholes model (Note 7(d)) and have the same terms as the warrants issued in the offering.

viii) On August 27, 2014, the Company completed a private placement, raising gross proceeds of $938,970 by issuing 1,707,219 units at $0.55 per unit. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share of the Company at $1.00 per share for a period of 12 months. Finders' fees of $3,250 were paid and 5,036 finders' warrants were issued.

NOTE 7 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

ix) On July 15, 2014, the Company entered into a property option agreement with North Bay Resources Inc., whereby the Company may acquire a 100% interest in the Bouleau Property, located 25 miles west of Vernon, British Columbia, by making cash and stock payments as follows: $100,000 cash and common shares valued at $100,000 upon TSX-V approval. On or before each of the sixth month, 12th month, 18th month, and 24th month anniversaries, an additional $50,000 cash and common shares valued at $50,000 are required.

By October 28, 2014, $100,000 cash was paid and 217,391 common shares at $0.46 per share, representing $100,000 in value, were issued.

x) On August 18, 2014, the Company issued 600,000 common shares pursuant to a property option agreement on the Gold Drop Property, with a fair value of $198,000.

c) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

Stock option transactions and the number of stock options outstanding are summarized as follows:

		Number of Options		Weighted average exercise price
Balance, June 30, 2013		20,000	$	0.50
	Granted	425,000		0.25
	Cancelled	(243,550)		0.25
Balance, June 30, 2014		201,450	$	0.27
	Granted	1,134,000		0.50
Balance, September 30, 2014		1,335,450		0.47

The following stock options were outstanding at September 30, 2014:

Number of Shares	Exercise Price	Date of Grant	Expiry Date
20,000	0.50	04-Jun-12	04-Jun-17
181,450	0.25	15-Nov-13	15-Nov-15
1,000,000	0.50	21-Aug-14	21-Aug-16
134,000	0.50	8-Sep-14	8-Sep-16
1,335,450			

NOTE 7 – SHARE CAPITAL (Continued)

d) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options at the grant date using the Black-Scholes option-pricing model.

During the year ended June 30, 2014, the Company granted 425,000 (2013 – 30,000) stock options. Stock-based compensation expense using the Black-Scholes option pricing model was $145,193 (2013 – $13,685). The weighted average fair value of the stock options granted was $0.34 (2013 – $0.46) per option.

The following assumptions were used for the Black-Scholes valuation of stock options granted:

	2014	2013
Risk-free interest rate	1.10%	1.03%
Expected life of stock options	2 years	5 years
Annualized volatility	216%	184%
Dividend rate	0.00%	0.00%

During the year ended June 30, 2014, the Company issued 59,659 (2013 – nil) agents' warrants. The weighted average fair value of the agents' warrants issued was $0.69 (2013 – $nil). The fair value of the agents' warrants was estimated at $41,152 (2013 – $nil) and was recorded in share-based payment reserve and reduced share capital.

The following assumptions were used for the Black-Scholes valuation of agents' warrants granted:

	2014	2013
Risk-free interest rate	0.98%	-
Expected life of agents' warrants	18 months	-
Annualized volatility	146%	-
Dividend rate	0.00%	-

e) Share Purchase Warrants

Share Purchase Warrants	Number of warrants	Weighted average exercise price
Balance, June 30, 2013	1,427,858	1.42
Granted	3,347,818	0.49
Exercised for cash	(2,550,734)	0.54
Exercised for settlement of debts	(670,200)	0.15
Expired	(816,302)	1.98
Balance, June 30, 2014	738,440	0.63
Granted	1,707,219	1.00
Exercised for cash	(50,000)	1.00
Balance, September 30, 2014	2,395,659	0.89

NOTE 7 – SHARE CAPITAL (Continued)

e) Share Purchase Warrants(Continued)

The following share purchase warrants were outstanding at September 30, 2014:

Number of Shares	Exercise Price	Expiry Date
688,440	0.60	June 4, 2015
1,707,219	1.00	July 30, 2015
2,395,659		

f) Agents' Warrants

	Number of warrants	Weighted average exercise price
Balance, June 30, 2013	32,621	0.60
Granted	59,659	1.00
Exercised for cash	(50,349)	1.00
Exercised for settlement of debts	(17,771)	2.10
Balance, June 30, 2014	24,160	0.60
Expired	(24,160)	
Balance, September 30, 2014	-	-

NOTE 8 – RELATED PARTY TRANSACTIONS

The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. The amounts due to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed. The Company entered into the following transactions with related parties:

a) During the quarter ended September 30, 2014, the Company incurred $7,500 (2013- $7,500) in professional fees to a director of the Company.

b) During the quarter ended September 30, 2014, the Company incurred $35,000 (2012- $30,000) in consulting fees to a Company controlled by a director.

c) During the quarter ended September 30, 2014, the Company incurred a $25,000 annual bonus payment to a Company controlled by a director.

NOTE 9 – COMMITMENT

On December 1, 2013, the Company entered into a three-year agreement with an officer and a director for consulting services for consideration of $10,000 per month plus reimbursement of all traveling and direct expenses. The rate will increase to $15,000 per month if the Company reaches a market capitalization of $10,000,000.

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions for the quarter ended September 30, 2014, were follows:

817,391 common shares valued at $298,000 were issued for mineral properties

As at September 30, 2014, cash and cash equivalents includes $31,000 (2013 – $nil) of restricted cash held in a guaranteed investment certificate to be made payable to the Ministry of Energy and Mines on demand.

NOTE 11 – INCOME TAXES

a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the statements of comprehensive loss by applying the combined federal and provincial income tax rate of 26.0% (2013 – 25.4%) as follows:

	2014 $	2013 $
Loss before Income Tax	(3,539,302)	(356,585)
Expected income tax recovery	(920,000)	(91,000)
Non-deductible expenditures	43,000	3,000
Effect of change in tax rates	-	6,000
Change in unrecognized deductible temporary differences	950,000	17,000
Share issuance costs	13,000	(22,000)
Other	(86,000)	87,000
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2014 and 2013, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company's deferred tax assets not recognized consist of the following amounts:

Property and equipment	5,000	2,000
Exploration and evaluation assets	926,000	473,000
Non-capital losses	1,343,000	881,000
Share issuance costs	32,000	-
Net Deferred Tax Assets	2,306,000	1,356,000

NOTE 11 – INCOME TAXES (Continued)

b) Deferred Tax Assets and Liabilities (Continued)

As at June 30, 2014, the Company has non-capital losses of approximately $5,164,000 and share issuance costs of approximately $125,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2018. Non-capital losses expire as follows:

	$
2027	96,000
2028	481,000
2029	538,000
2030	478,000
2031	681,000
2032	753,000
2033	395,000
2034	1,742,000
	5,164,000

NOTE 12 – 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 resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at September 30, 2014, was $10,231,292 (2013 – $5,175,052). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the quarter ended September 30, 2014.

NOTE 13 – FINANCIAL INSTRUMENTS

The fair value of the Company's amounts due from related parties, loans receivable, accounts payable and accrued liabilities, loans payable, and amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position. The Company's other financial instruments, cash and cash equivalents, under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

NOTE 13 – FINANCIAL INSTRUMENTS (Continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had a cash balance of $32,908 to settle current liabilities of $904,222. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company's loans receivable and payable are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil and natural gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 14 – SUBSEQUENT EVENTS

Private Placements

Subsequent to the quarter end, the Company completed a private placement, raising gross proceeds of $416,100 by issuing 1,386,999 units at $0.30 per unit. Each unit consists of one common share and one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share of the Company at $0.40 per share for a period of 2 years. Finders' fees of $8,808 were paid and 29,360 finders' warrants were issued.