Select Sands Corp.
(formerly La Ronge Gold Corp.)

Annual Financial Statements

Years Ended July 31, 2014 and 2013
(Expressed in Canadian Dollars)

MORGAN & COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Select Sands Corp. (formerly La Ronge Gold Corp.)

Report on the financial statements

We have audited the accompanying financial statements of Select Sands Corp. (formerly La Ronge Gold Corp.), which comprise the statements of financial position as at July 31, 2014 and 2013 and the statements of operations and comprehensive loss, changes in equity, and cash flows 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.

Auditor's 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 auditor's 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Select Sands Corp. (formerly La Ronge Gold Corp.) as at July 31, 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 consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada *"Morgan & Company LLP"*

November 21, 2014 Chartered Accountants

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Select Sands Corp. (formerly La Ronge Gold Corp.)
Statements of Financial Position
(Expressed in Canadian Dollars)

		July 31 2014		July 31 2013
ASSETS				
Current				
Cash and cash equivalents	**$**	**324,069**	$	1,751,920
Sales tax recoverable		**10,925**		7,620
Prepaid expenses		**16,878**		28,108
Total Current Assets		**351,872**		1,787,648
Investment Deposit (Note 5)		**1,000,000**		-
Available-for-sale Investments (Note 6)		**-**		1,125
Due From Related Parties (Note 8)		**-**		309,841
Exploration and Evaluation Assets (Note 7)		**4,242,815**		3,973,604
Total Assets	**$**	**5,594,687**	$	6,072,218
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**166,456**	$	86,118
Flow-through premium liability		**63,575**		138,750
Total Current Liabilities		**230,031**		224,868
EQUITY				
Share Capital (Note 9)		**17,505,281**		16,542,634
Share Subscriptions Receivable (Note 9)		**(50,000)**		-
Share-based Payment Reserve		**2,051,394**		2,036,335
Accumulated Other Comprehensive Loss		**(5,625)**		(4,500)
Deficit		**(14,136,394)**		(12,727,119)
Total Equity		**5,364,656**		5,847,350
Total Liabilities And Equity	**$**	**5,594,687**	$	6,072,218

These financial statements were authorized for issue by the Board of Directors on November 21, 2014. They are signed on the Company's behalf by:

"Rasool Mohammad"
Director

"Larry Johnson"
Director

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

Select Sands Corp. (formerly La Ronge Gold Corp.)
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the years ended July 31	
	2014	2013
General and Administrative Expenses		
Administrative services and rent (Note 8)	**$ 56,047**	$ 49,500
Advertising and promotion	**146,313**	180,247
Bad debt provision	**304,841**	-
Compensation and consulting (Note 8)	**486,453**	456,770
Office expense and miscellaneous	**41,007**	36,263
Professional fees	**322,277**	64,668
Property investigation	**112,618**	-
Regulatory and stock transfer fees	**28,255**	29,415
Share-based compensation (Notes 8 and 9)	**-**	5,304
Loss Before Other Income (Expenses)	**(1,497,811)**	(822,167)
Other Income (Expense)		
Abandoned claims (Note 7)	**-**	(745,596)
Realized loss on sale of available-for-sale investment	**-**	(43,155)
Interest income	**13,361**	34,440
Other Income (Expense)	**13,361**	(754,311)
Loss Before Income Taxes	**(1,484,450)**	(1,576,478)
Income Taxes		
Deferred income taxes recovered	**75,175**	-
Net Loss For The Year	**(1,409,275)**	(1,576,478)
Other Comprehensive Income (Loss)		
Reclassification to realized loss upon sale of Available-for-sale investments	**-**	45,000
Unrealized loss on available-for-sale investments (Note 6)	**(1,125)**	(4,500)
Other Comprehensive Income (Loss)	**(1,125)**	40,500
Net Loss and Comprehensive Loss For The Year	**$ (1,410,400)**	$ (1,535,978)
Basic and Diluted Loss Per Common Share (Note 13)	**$ (0.04)**	$ (0.05)

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

Select Sands Corp. (formerly La Ronge Gold Corp.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE	SHARE-BASED PAYMENT	ACCUMULATED OTHER COMPREHENSIVE		
	NUMBER	AMOUNT	SUBSCRIPTIONS	RESERVE	INCOME (LOSS)	DEFICIT	TOTAL
Balance, July 31, 2012	33,117,288	$ 15,840,445	$ -	$ 2,084,381	$ (45,000)	$ (11,150,641)	$ 6,729,185
Shares issued for exploration and evaluation assets	1,075,000	178,000	-	-	-	-	178,000
Issued shares for cash, private placement							
Flow-through shares	2,775,000	416,250	-	-	-	-	416,250
Share issuance costs							
Cash		(30,450)	-	-	-	-	(30,450)
Non-cash for warrants		(650)		650			-
Warrants exercised	447,800	139,039	-	(54,000)	-	-	85,039
Share based compensation	-	-	-	5,304	-	-	5,304
Other comprehensive income	-	-	-	-	40,500	-	40,500
Net loss for the year	-	-	-	-	-	(1,576,478)	(1,576,478)
Balance, July 31, 2013	37,415,088	16,542,634	-	2,036,335	(4,500)	(12,727,119)	5,847,350
Issued shares for cash private placement	4,000,000	1,000,000	(50,000)	-	-	-	950,000
Share issuance costs							
Cash	-	(73,625)	-	-	-	-	(73,625)
Non-cash for warrants	-	(39,500)	-	39,500	-	-	-
Warrants exercised	196,320	71,567	-	(22,486)	-	-	49,081
Options exercised	15,000	4,205	-	(1,955)	-	-	2,250
Other comprehensive loss	-	-	-	-	(1,125)	-	(1,125)
Net loss for the year	-	-	-	-	-	(1,409,275)	(1,409,275)
Balance, July 31, 2014	**41,626,408**	**$ 17,505,281**	**$ (50,000)**	**$ 2,051,394**	**$ (5,625)**	**$ (14,136,394)**	**$ 5,364,656**

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

Select Sands Corp. (formerly La Ronge Gold Corp.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended July 31	
	2014	2013
Operating Activities		
Net loss for the year	**$ (1,409,275)**	$ (1,576,478)
Adjustments for non-cash items:		
Deferred income tax recovered	**(75,175)**	-
Abandoned claims	**-**	745,596
Interest income	**-**	(34,440)
Loss on sale of available-for-sale investment	**-**	43,155
Share based compensation	**-**	5,304
Changes in non-cash operating assets and liabilities:		
Accounts payable and accrued liabilities	**63,621**	(80,282)
Due from related parties	**309,841**	(1,231)
Prepaid expenses	**11,230**	(8,765)
Sales tax recoverable	**(3,305)**	62,195
Total Cash Used In Operating Activities	**(1,103,063)**	(844,946)
Investing Activities		
Exploration and evaluation assets	**(252,494)**	(2,083,052)
Investment deposit	**(1,000,000)**	-
Interest income	**-**	34,440
Proceeds from sale of available-for-sale investment	**-**	54,345
Total Cash Used In Investing Activities	**(1,252,494)**	(1,994,267)
Financing Activity		
Issue of common shares for cash, net of share issue costs	**927,706**	609,589
Total Cash Provided By Financing Activity	**927,706**	609,589
Decrease In Cash and Cash Equivalents	**(1,427,851)**	(2,229,624)
Cash and Cash Equivalents, Beginning Of Year	**1,751,920**	3,981,544
Cash and Cash Equivalents, End Of Year	**$ 324,069**	$ 1,751,920

Supplementary Information and Non-cash Investing and Financing Transactions:

Cash paid for interest	**$ -**	$ -
Cash paid for taxes	**$ -**	$ -
Issuance of shares for exploration and evaluation assets	**$ -**	$ 178,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Select Sands Corp. (the "Company") was incorporated in Canada on July 31, 2006 pursuant to the Business Corporations Act (British Columbia) (the "Act"). On October 31, 2014, the Company changed its name from La Ronge Gold Corp. to Select Sands Corp. to reflect the implementation of exploration activities in frac sand properties for the oil and gas industry. The Company is a public company listed on the TSX Venture Exchange (the "TSX.V"), trading under the "SNS" symbol (formerly the "LAR" symbol). The address of the Company's corporate office and principal place of business is Suite 701, 675 West Hastings Street, Vancouver, British Columbia, Canada V6B 1N2.

The Company is in the process of acquiring, exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, or upon future cash flows from production or sale of the properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to arrange additional financing in the future depends, in part, on the prevailing capital market conditions and mineral property exploration success. The Company incurred a net loss of $1,409,275 and a comprehensive loss of $1,410,400 for the year ended July 31, 2014 (July 31, 2013 – net loss and comprehensive loss of $1,576,478 and $1,535,978 respectively) and had a deficit of $14,136,394 (July 31, 2013 - $12,727,119). There is material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of Compliance

The financial statements of the Company for the year ended July 31, 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Basis of Measurement and Presentation

These financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. In the opinion of management, all adjustments (including normal recurring accruals), considered necessary for a fair presentation have been included. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements.

c) Foreign Currencies

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the assessment of indications of impairment of the Company's exploration and evaluation assets and related determination of recoverable values and write-down of those assets where applicable;
- the determination of cash generating units when performing impairment assessments of corporate assets;
- the fair value estimation of share-based payments included in the statements of operations and comprehensive loss;
- the accounting and recognition of income taxes which is included in the statement of operations and comprehensive loss; and
- the determination of the going concern assumption requires management to make judgments regarding the viability of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the year-ending July 31, 2014 and have been applied consistently to all periods presented in these financial statements.

a) Financial Instruments and Risk Management

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Financial Instruments and Risk Management (Continued)

Financial assets (Continued)

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of operations and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of operations and accumulated other comprehensive income (loss).

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is 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 above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified cash and cash equivalents as fair value through profit or loss financial assets. Related party receivables are classified as loans and receivables, accounts payable and accrued liabilities, and due to related parties are classified as other financial liabilities, and marketable securities are classified as available-for-sale financial assets. Management did not identify any material embedded derivatives, which require separate recognition and measurement.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Financial Instruments and Risk Management (Continued)

Financial liabilities (Continued)

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risks is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.
Liquidity risk is significant to the Company's statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices and the price of gold, silver, zinc and lead in particular. To mitigate this market risk, management of the Company actively pursues a diversification strategy with property holdings focusing on base metals as well as precious metals.

Impairment of Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

b) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Ancillary income received while the properties are in the exploration stage is credited to the carrying value of the mineral properties. Cost recoveries are credited against specific property costs, as received.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Exploration and Evaluation Assets (Continued)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Facts and circumstances as defined in *IFRS 6 exploration and evaluation assets* are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Although the Company has taken steps to verify title to exploration and evaluation assets 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 may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

d) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the assets is written down accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Impairment of Non-financial Assets (Continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

An impairment loss is recognized in the statement of operations, except to the extent they reverse gains previously recognized.

e) Share Capital

i) Non-monetary consideration

Agent's warrants issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as consideration for exploration and evaluation assets is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method.

ii) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability on a pro rata basis and the premium is recognized as a deferred income tax recovery.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

iii) Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Share Capital (Continued)

iii) Share-based payments (Continued)

The fair value is measured at grant date, and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured indirectly at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

iv) Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

f) Income Taxes

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

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

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

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Loss Per Share

Basic loss per share is computed by dividing the Company's loss applicable to common shares by the weighted average number of shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the Company's loss applicable to common shares, by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted at the beginning of the period unless the result is anti-dilutive.

4. RECENTLY ADOPTED AND FUTURE ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

The following new accounting policies were adopted by the Company on January 1, 2013 and had no significant impact on the Company's financial position and results of operations:

IFRS 7 Financial instruments: disclosures were further amended to provide guidance on the eligibility criteria for offsetting assets and liabilities as a single net amount in the statement of financial position. This amendment was effective for annual periods beginning on or after January 1, 2013.

IFRS 10 Consolidated financial statements requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—special purpose entities and parts of IAS 27 Consolidated and separate financial statements. This standard was effective for all annual periods beginning on or after January 1, 2013.

IFRS 11 Joint arrangements requires a Company to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the Company will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Previously, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. This standard was effective for all annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosure of interests in other entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard was effective for all annual periods beginning on or after January 1, 2013.

IFRS 13 Fair value measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard was effective for all annual periods beginning on or after January 1, 2013.

4. RECENTLY ADOPTED AND FUTURE ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED (Continued)

IAS 28 Investment in associates was amended to include joint ventures in its scope and to address the changes in IFRS 10 to 13. This amendment was effective for annual periods beginning on or after January 1, 2013.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IAS 32: Offsetting Financial Assets and Financial Liabilities (Amended) clarifies the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect the amendments to IAS 32 to have a material impact on the consolidated financial statements.

IFRS 9 Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

In May 2013, the IASB IFRS Interpretations Committee ("IFRIC") issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

5. INVESTMENT DEPOSIT

On April 29, 2014, the Company entered into an asset purchase agreement with Canfrac Sands Ltd. ("Canfrac"). Under the terms of the agreement, the Company would acquire Canfrac, including all assets and business operations for cash consideration of $4,500,000.

The Company was required to deposit in escrow $1,000,000 (paid) for the purposes of the asset acquisition including a capital expenditure program to improve the purchased assets. In the event the asset purchase agreement was terminated, the escrow amount would be released to the vendor, and the Company would receive 22% of the Canfrac's issued and outstanding voting share capital.

Subsequent to the year ended July 31, 2014, the Company terminated the asset purchase agreement, released the remaining escrow to the vendor and received 22% of Canfrac's issued and outstanding voting shares.

6. AVAILABLE-FOR-SALE INVESTMENT

Strike Minerals Inc. ("STK") (TSX.V)

Pursuant to a March 26, 2009 option agreement with STK, the Company received 75,000 common shares of STK during the year ended July 31, 2012. The shares were recorded at $5,625 based upon their fair value of $0.075 per share on July 31, 2012.

As of July 31, 2014 the fair market value of the STK shares was $Nil per share (July 31, 2013 - $1,125) and accordingly, the Company has recognized an unrealized loss of $1,125 on the shares within other comprehensive loss.

7. EXPLORATION AND EVALUATION ASSETS

For the year ended July 31, 2014:

	La Ronge Gold Belt Saskatchewan Canada	Other Properties Saskatchewan, Canada	Jacobson Old Cabin Ontario, Canada	Elephant Head Ontario, Canada	Total
	Note (a)	Note (d)	Note (b)	Note (c)	
Acquisition costs					
Opening balance	$ 264,356	$ -	$ -	$ 1	**$ 264,357**
Acquisition	-	18,624	-	-	**18,624**
Ending balance	264,356	18,624	-	1	**282,981**
Exploration costs					
Opening balance	3,709,246	-	1	-	**3,709,247**
Accommodation	-	3,943	-	-	**3,943**
Air travel	-	2,819	-	-	**2,819**
Assays, samples	3,117	-	-	-	**3,117**
Drilling	-	50	-	-	**50**
Engineering & consulting	112,512	44,064	-	-	**156,576**
Expediting service	15	-	-	-	**15**
Field & camp	1,650	-	-	-	**1,650**
Geology & mapping	5,000	-	-	-	**5,000**
Geophysics / Survey	-	19,626	-	-	**19,626**
Metallurgy	48,189	397	-	-	**48,586**
Supply & Equipment	-	644	-	-	**644**
Transportation	1,900	1,346	-	-	**3,246**
Site administration	1,715	-	-	-	**1,715**
Wages and benefits	3,600	-	-	-	**3,600**
Ending balance	3,886,944	72,889	1	-	**3,959,834**
Total costs incurred during the year	177,698	91,513	-	-	**269,211**
Balance, beginning of year	3,973,602	-	1	1	**3,973,604**
Balance, end of year	$ 4,151,300	$ 91,513	$ 1	$ 1	$ **4,242,815**
Cost summary					
Acquisition costs	$ 264,356	$ 18,624	$ -	$ 1	$ **282,981**
Exploration costs	3,886,944	72,889	1	-	**3,959,834**
Total	**$ 4,151,300**	**$ 91,513**	**$ 1**	**$ 1**	**$ 4,242,815**

7. EXPLORATION AND EVALUATION ASSETS (Continued)

For the year ended July 31, 2013:

	La Ronge Gold Belt Saskatchewan Canada	Jacobson Old Cabin Ontario, Canada	Elephant Head Ontario, Canada	Total
	Note (a)	Note (b)	Note (c)	
Acquisition costs				
Opening balance	$ 301,569	$ -	$ 9,280	$ 310,849
Acquisition	253,000	-	-	253,000
Staking	105	390	-	495
Write off	(290,318)	(390)	(9,279)	(299,987)
Ending balance	264,356	-	1	264,357
Exploration costs				
Opening balance	2,411,922	1	-	2,411,923
Accommodation	6,120	-	-	6,120
Air travel	14,639	-	-	14,639
Assays, samples	151,523	-	-	151,523
Drilling	475,541	-	-	475,541
Engineering & consulting	506,376	2,200	-	508,576
Equipment rental	163,934	-	-	163,934
Expediting service	78,075	-	-	78,075
Field & camp	202,978	-	-	202,978
Geology & mapping	7,212	-	-	7,212
Geophysics / Survey (recovery)	(15,000)	-	-	(15,000)
Helicopter	6,862	-	-	6,862
Road construction	-	-	-	-
Supply & Equipment	122,178	-	-	122,178
Transportation	17,738	-	-	17,738
Site administration	1,792	765	-	2,557
Write off	(442,644)	(2,965)	-	(445,609)
Ending balance	3,709,246	1	-	3,709,247
Total costs incurred during the year	1,993,073	3,355		1,996,428
Balance, beginning of year	2,713,491	1	9,280	2,722,772
Write off	(732,962)	(3,355)	(9,279)	(745,596)
Balance, end of year	$ 3,973,602	$ 1	$ 1	$ 3,973,604
Cost summary				
Acquisition costs	$ 264,356	$ -	$ 1	$ 264,357
Exploration costs	3,709,246	1	-	3,709,247
Total	$ 3,973,602	$ 1	$ 1	$ 3,973,604

7. EXPLORATION AND EVALUATION ASSETS (Continued)

a) La Ronge Gold Belt

i) Pursuant to an Option Agreement dated September 22, 2011 (as amended May 31, 2013) the Company has earned a 100% interest in three mineral claims known as the Pap-Preview Property located in the Lac La Ronge area of Saskatchewan.

In addition to $35,000 already paid, 300,000 common shares already issued and $1.5 million in expenditures already incurred, the Company paid $40,000 and issued 800,000 common shares to accelerate its 100 % earn-in. The Company will grant a 2.5% NSR of which an initial 1% may be purchased for $1 million and the remaining 1.5% for $2 million at any time prior to a production decision. All prior conditional payments have been replaced with the following obligations: (i) payment of $60,000 upon receipt of a positive feasibility study and (ii) issuance of 625,000 common shares upon making a production decision.

ii) By an option agreement dated July 12, 2011, the Company acquired an option to earn a 100% interest in two properties located in the La Ronge mining district, Saskatchewan. The Cuchon Bay and Stewart River properties have claims of a total size of 6,415 hectares. Consideration consists of:

Date	Payments		Share issuances		Exploration expenditures
Date of signing	$ 10,000	(paid)	150,000	(issued)	$ -
By August 31, 2011 & upon Board of Directors and Exchange approval	5,000	(paid)	150,000	(issued)	-
On or before December 31, 2011	-		-		100,000 (incurred)
On or before December 31, 2013	-		-		250,000
On or before December 31, 2015	-		-		350,000
	$ 15,000		300,000		$700,000

The Company is also required to complete a work contract with the optionor of $25,000 each year by December 31 over four years. A 1.5% Net Smelter Royalty ("NSR") is payable on the property with a $1,000,000 buyout right to the Company. Due to the Company's focus on the Preview SW deposit, the option was allowed to lapse on December 31, 2012. The Company wrote off all expenditures incurred on these properties of $331,592.

iii) By staking, the Company also acquired a 100% interest in a land package in the La Ronge mining district, Saskatchewan. The properties consist of Kavanagh Lake, McKay Lake, Mine Lake, Otter Lake, and additional Stewart River properties that have claims covering 34,098 hectares.

During the year ended July 31, 2013, as a result of management's focus on the Pap-Preview property, the Company wrote off all expenditures incurred on these properties.

iv) Pursuant to an Option Agreement dated September 22, 2011 the Company had the option to acquire up to a 100% interest in the BHB Property in consideration for $55,000 ($15,000 paid) and 50,000 common shares (50,000 issued).

During the year ended July 31, 2013, as a result of management's focus on the Pap-Preview property, the Company wrote off all expenditures incurred on this property.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

a) La Ronge Gold Belt (Continued)

v) Pursuant to an Option Agreement dated September 22, 2011, as amended August 23, 2012, the Company had the option to acquire up to a 100% interest in nine (9) mineral claims known as the Wedge Property in consideration for $105,000 ($25,000 paid) and 1,000,000 common shares (250,000) issued.

During the year ended July 31, 2013, as a result of management's focus on the Pap-Preview property, the Company wrote this property down to $1.

b) Jacobson, Old Cabin

The Company entered into various agreements that granted the Company a 100% interest in a land package in Jacobson Townships, Ontario. The terms of the various agreements include:

i) **Jacobson** - By an option agreement dated March 7, 2005, the Company acquired a 100% interest in a land package in Jacobson Township. A 2% Net Smelter Returns ("NSR") is payable on the property half of which can be purchased for $750,000.

ii) **Old Cabin** - By an option agreement dated July 13, 2004 and amended February 14, 2005, the Company acquired a 100% interest in a land package in Jacobson Township. A 2% NSR is payable on the property one-quarter of which can be purchased for $500,000.

During the year ended July 31, 2012, as a result of management's focus on the La Ronge property, the Jacobson Old Cabin property was written down by $146,241 to a value of $1.

c) Elephant Head

By staking, the Company acquired a 100% interest in a land package in Connaught township of Ontario. Effective May 20, 2011, the Company staked 8 claims in the property.

During the year ended July 31, 2013, as a result of management's focus on the Pap-Preview property, the Company wrote this property down to $1.

d) Other Properties

By staking, the Company acquired a 100% interest in a land package in Saskatchewan consisting of six mining claims.

8. DUE FROM/TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Company incurred the following related party transactions during the years ended July 31, 2014 and 2013 and had the following balances with related parties outstanding as at July 31, 2014 and 2013:

a) Remuneration of directors and key management personnel were as follows:

	Years ended July 31	
	2014	2013
Short-term compensation and consulting	**$357,000**	$ 358,400
Total compensation of key management and directors	**$357,000**	$ 358,400

8. DUE FROM/TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

b) The Company incurred rent to a private company controlled by two common directors in the total amount of $51,500 during the year ended July 31, 2014 (2013 - $49,500). As of July 31, 2014, the Company had a balance of prepaid rent with the private company in the amount of $4,400 (2013 - $5,775) and an occupancy deposit in the amount of $5,000 (2013 - $5,000).

c) In May 2014, the President and CEO of the Company purchased 450,000 common shares of the Company at $0.25 per share for total proceeds of $112,500.

d) The Company has accounts payable to a director in the amount of $1,761 (2013 - $Nil).

The above transactions were in the normal course of operations and have been recorded at amounts agreed to by the related parties. All amounts either due from or due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

e) The Company has accounts receivable from companies with former common directors in the amount of $Nil (2013 - $304,841). These amounts relate to mineral property costs with respect to projects held under joint interests. During the year ended July 31, 2014, the Company determined that collectability of the amounts receivable was unlikely and accordingly recognized a bad debt provision of $304,841.

9. SHARE CAPITAL AND RESERVES

a) Authorized

Unlimited number of common shares without par value

b) Issued

Year ended July 31, 2014:

In May 2014, the Company completed a private placement and issued 4,000,000 non-flow-through common shares at a price of $0.25 per common share for total proceeds of $1,000,000. Share issuance costs of $73,625 were paid in respect of the financing. An officer of the Company participated in this private placement by purchasing a total of 450,000 shares. Subsequent to the year end, the Company received $50,000 related to subscriptions receivable.

The Company also issued 234,500 broker warrants entitling the holder to purchase one common share at $0.25 per share for a period of 24 months. A total of $39,500 was recognized as share issue non-cash costs for the broker warrants.

Year ended July 31, 2013:

In June 2013, the Company completed a private placement and issued 2,775,000 flow-through shares at a price of $0.20 for total proceeds of $555,000 including a flow-through premium received of $138,750. Share issuance costs of $30,450 were paid in respect of the financing.

The Company also issued 12,250 broker warrants entitling the holder to purchase one common share at $0.25 per share for eighteen months and 40,000 broker warrants entitling the holder to purchase one common share at $0.24 per share for one year. A total of $650 was recognized as share issue non-cash costs for the broker warrants.

9. SHARE CAPITAL AND RESERVES (Continued)

c) Warrants

A summary of the changes in warrants follows:

	NUMBER OF WARRANTS	EXERCISE PRICES $
Balance, July 31, 2012	13,259,915	
Granted	450,050	0.24/ .025/0.30/0.40
Expired/Cancelled	(102,200)	0.40/0.30/0.25/0.20
Exercised	(447,800)	0.15/0.20/0.30
Balance, July 31, 2013	13,159,965	
Granted	234,500	0.25
Expired/Cancelled	(11,594,795)	0.24/0.25/0.30/0.40/0.70
Exercised	(196,320)	0.25
Balance, July 31, 2014	**1,603,350**	

During the year ended July 31, 2014, 196,320 warrants at an exercise price of $0.25 were exercised for proceeds of $49,081 (2013 – 447,800 warrants were exercised for proceeds of $85,039).

As at July 31, 2014 the following share purchase warrants were outstanding:

EXPIRY DATE	EXERCISE PRICE $	NUMBER OF WARRANTS
November 29, 2014	0.25	12,250 *
January 18, 2015	1.50/2.00	120,000
February 21, 2015	1.50/2.00	838,800
March 15, 2015	0.40/0.30	397,800
May 29, 2016	0.25	234,500 *
		1,603,350

*Broker and finder's warrants exercisable for units.

As at July 31, 2014, the weighted average remaining contractual life of the share purchase warrants is 0.75 years and the weighted average exercise price is $1.04 (2013 – 0.61 years and $0.66).

d) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company exercisable pursuant to options granted under the Plan may not exceed ten percent of the issued and outstanding shares of the Company at the grant date. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX.V policy), or such other price as may be agreed to by the Company and accepted by the TSX.V. Stock options granted to consultants providing investor relations activities under the Plan are subject to minimum vesting restrictions such that one-quarter of the option shall vest on each of the date grant and three, six and twelve months after the date of grant.

9. SHARE CAPITAL AND RESERVES (Continued)

d) Stock Options (Continued)

A summary of the changes in stock options follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Balance, July 31, 2012	2,539,500	0.35
Expired/Cancelled	(206,000)	0.07
Balance, July 31, 2013	2,333,500	0.47
Expired/Cancelled	(163,000)	1.00
Exercised	(15,000)	0.15
Balance, July 31, 2014	**2,155,500**	**0.42**

The following summarizes the stock options outstanding and exercisable as at July 31, 2013:

EXPIRY DATE	EXERCISE PRICE $	OPTIONS OUTSTANDING	OPTIONS EXERCISABLE
January 28, 2017	1.00	49,000	49,000
May 3, 2018	0.15	767,000	767,000
February 23, 2019	0.56	1,339,500	1,339,500
		2,155,500	**2,155,500**

Share-based compensation recognized during the year ended July 31, 2014 was $Nil (2013 - $5,304). The Company's valuation of broker and finder's warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

	2014	2013
Risk-free interest rate	1.03%	1.01% - 1.7%
Expected dividend yield and forfeiture	0%	0%
Expected stock price volatility	82%	47% - 117%
Expected option life in years	2	1 - 7

As at July 31, 2014, the weighted average remaining contractual life of the share purchase options is 4.23 years and the weighted average exercise price is $0.42 (2013 – 4.91 years and $0.47).

e) Escrow

As of July 31, 2014, 625 common shares (2013 - 6,248) were held in escrow.

f) Nature and Purpose of Reserve

The reserve recorded in equity on the Company's Statements of Financial Position includes Share-based Payment Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

10. MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. There were no changes in the Company's approach to capital management during the year ended July 31, 2014. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at July 31, 2014, the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

	LEVEL	FVTPL	LOANS AND RECEIVABLES/ OTHER FINANCIAL LIABILITIES	AVAILABLE FOR SALE	TOTAL FAIR VALUE
Financial assets					
Cash and cash equivalents (a)	1	$ 324,069	$ -	$ -	$ 324,069
Related party receivables	2	-	-	-	-
		$ 324,069	$ -	$ -	$ 324,069
Financial liabilities					
Accounts payable and accrued liabilities (a)	2	$ -	$ 230,031	$ -	$ 230,031
		$ -	$ 230,031	$ -	$ 230,031

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

As at July 31, 2013, the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

	LEVEL	FVTPL	LOANS AND RECEIVABLES/ OTHER FINANCIAL LIABILITIES	AVAILABLE FOR SALE	TOTAL FAIR VALUE
Financial assets					
Cash and cash equivalents (a)	1	$ 1,751,920	$ -	$ -	$ 1,751,920
Available-for-sale investments	1	-	-	1,125	1,125
Related party receivables	2	-	309,841	-	309,841
		$ 1,751,920	$ 309,841	$ 1,125	$ 2,062,886
Financial liabilities					
Accounts payable and accrued liabilities (a)	2	$ -	$ 224,868	$ -	$ 224,868
		$ -	$ 224,868	$ -	$ 224,868

At July 31, 2014 and July 31, 2013, the Company's financial instruments which are measured at fair value on a recurring basis are cash and cash equivalents and available for sale investments. The available-for-sale investments are based on quoted prices. The carrying values of the Company's loans and receivables and financial liabilities were a reasonable approximation of fair value due to the short term nature of their maturities.

The Company is exposed to potential loss from various risks including commodity price risk, interest rate risk, currency risk, credit risk and liquidity risk. Based on the Company's operations the liquidity risk and commodity price risk are considered the most significant. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

There have been no transfers between levels 1 and 2, or transfers in or out of level 3 for the years ended July 31, 2014 and 2013.

a) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

b) Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

During the past year the Company has been able to maintain its liquidity position through private placements. However, the variable market conditions make it uncertain whether the Company can continue to raise adequate funds to meet its financial obligations.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed on demand.

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company has gross credit exposure as at July 31, 2014 and July 31, 2013 of $324,069 and $2,061,761 respectively with respect to cash and cash equivalents and amounts due from related parties. The Company's Guaranteed Investment Certificate ("GIC") is 100% government guaranteed. The Company has performed a sensitivity analysis on changes in the credit risk associated with its GIC and considers this risk to be minimal based on changes that are reasonably possible at the reporting date.

12. INCOME TAXES

a) Provision for Income Taxes

The Company's provision for income taxes for the years ended July 31, 2014 and 2013 differs from the amounts computed by applying the statutory income tax rates to the loss before income taxes as a result of the following:

	2014	2013
Statutory combined federal and provincial rate	**26%**	25%
Computed recovery of income taxes at statutory rates	**$ (366,000)**	$ (399,000)
Non-deductible permanent differences and other	**4,000**	7,000
Share issuance costs	**(19,000)**	(8,000)
Effect of change in tax rate for deferred income tax assets	**-**	(72,000)
Flow-through expenses renounced	**75,000**	346,000
Unrecognized deferred tax assets and other	**230,825**	126,000
Deferred income tax recovery	**$ (75,175)**	$ -

12. INCOME TAXES (Continued)

b) Deferred Income Tax Assets

The estimated tax effect of the significant components within the Company's deferred tax assets were as follows:

	2014	2013
Exploration resource deductions net of renounced amounts	**$ 167,000**	$ 241,000
Non-capital losses carried forward	**1,489,000**	1,164,000
Equipment	**2,000**	2,000
Share issue costs	**79,000**	97,000
Marketable securities	**1,000**	1,000
Capital losses carried forward	**6,000**	6,000
Unrecognized deferred tax assets	**(1,744,000)**	(1,511,000)
Net deferred income tax liabilities	**$ -**	$ -

The Company's non-capital losses in the approximate amount of $5,737,000 begin to expire in 2027.

c) Flow-through Resource Expenditures

The Company is permitted, under Canadian income tax legislation, to renounce flow-through related resource expenditures to investors in advance of the Company incurring the expenditure. In accordance with this legislation, the Company has twelve months following the effective date of renunciation to incur the expenditures. The Company begins incurring interest charges for unspent funds after one month and fees for unspent funds at the end of the calendar year following the effective date of renunciation, and until such time as funds are fully expended.

As at July 31, 2014, the Company has unmet expenditure obligations of $254,300 which are due by the end of the calendar year.

13. LOSS PER SHARE

The Company calculates the basic and diluted loss per common share using the weighted average number of common shares outstanding during each period and the diluted loss per share assumes that the outstanding vested stock options and share purchase warrants had been exercised at the beginning of the year.

To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of all potentially dilutive shares. There were 2,155,500 stock options and 1,603,350 warrants as of the reporting date (2013 – 2,333,500 and 13,159,965 respectively). As of July 31, 2014 there were no potentially dilutive options not included in the Company's loss per common share calculation.

	Years ended July 31	
	2014	2013
Issued common shares at August 1,	**37,415,088**	33,117,288
Weighted average issuances	**836,536**	919,666
Basic weighted average common shares	**38,251,624**	34,036,954

14. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. All of the Company's assets are located in Canada.

15. SUBSEQUENT EVENTS

Subsequent to the year ended July 31, 2014:

a) The Company terminated the asset purchase agreement (Note 5), released the balance of the $1,000,000 investment deposit from escrow to the vendor and acquired 22% of Canfrac Sands Ltd.'s issued and outstanding voting shares.

b) The Company entered into a binding letter of agreement for an option to acquire a 100% undivided right, title and interest in an approximately 520-acre prospective frac sand property (the "Property") located in northeast Arkansas, USA. The Property is a greenfield frac sand exploration prospect underlain by the Ordovician St. Peter sandstone formation.

The acquisition was at arm's length and an initial payment was made of US$25,000, further payments of (i) US$100,000 on or before Dec. 25, 2014; and (ii) US$75,000 on or before February 25, 2015; and (iii) a final payment of $US1,800 per acre less prior payments made (or approximately US$736,000) is due to the vendor on or before April 25, 2016.

c) The Company changed its name from La Ronge Gold Corp. to Select Sands Corp.

d) The Company announced and completed a non-brokered private placement of convertible debentures in the principal amount of $600,000. The principal amount of the debentures will bear interest at 15% per annum, compounded quarterly. Interest will accrue and be payable in full on the maturity date. The debentures are convertible at $0.15 per unit comprised of a common share and a full warrant exercisable for 18 months at $0.15 per share.