Wolfeye Resource Corp.

Consolidated Financial Statements

Year Ended March 31, 2014

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wolfeye Resource Corp.:

We have audited the accompanying consolidated financial statements of Wolfeye Resource Corp., which comprise the consolidated statements of financial position as at March 31, 2014 and 2013, and the consolidated statements of loss 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 Consolidated Financial Statements

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wolfeye Resource Corp. as at March 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 describe certain 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.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
July 28, 2014

Wolfeye Resource Corp.
Consolidated statements of financial position
(Expressed in Canadian Dollars)
As at

	Notes		March 31, 2014		March 31, 2013
ASSETS					
Current assets					
Cash		$	2,497	$	16,932
GST receivable			1,506		6,670
			4,003		23,602
Exploration and evaluation assets	5		160,018		160,018
TOTAL ASSETS		**$**	**164,021**	**$**	**183,620**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	6,9	$	381,445	$	281,465
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	8		3,284,938		3,196,913
Share based payment reserve	8		274,247		274,247
Deficit			(3,776,609)		(3,569,005)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)			**(217,424)**		**(97,845)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**164,021**	**$**	**183,620**

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Wolfeye Resource Corp.
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian Dollars)

	Notes	Years ended March 31, 2014	Years ended March 31, 2013
Expenses			
Consulting	9	$ 125,000	$ 37,402
Foreign exchange loss		51	2,511
Management fees	9	30,250	270,500
Office and miscellaneous		614	5,155
Professional fees		29,097	13,894
Rent	9	-	25,500
Stock-based compensation	8	-	5,966
Transfer agent, filing fees and shareholder relations		27,811	14,253
Travel		-	2,071
		(212,823)	(377,252)
Other items			
Impairment of exploration and evaluation assets	5	-	(167,974)
Write-off of accounts payable		5,219	-
		5,219	(167,974)
Net and comprehensive loss for the year		**$ (207,604)**	**$ (545,226)**
Loss per share – basic and diluted	8	**$ (0.23)**	**$ (0.63)**

Wolfeye Resource Corp.
Consolidated statement of changes in equity
(Expressed in Canadian Dollars)

		Share capital					
	Notes	Number of shares	Amount	Subscriptions Received in Advance	Share based payment reserve	Deficit	Total
Balance at March 31, 2012		**816,935**	**$ 3,053,388**	**$ 20,000**	**$ 268,281**	**$ (3,023,779)**	**$ 317,890**
Comprehensive loss:							
Loss for the year		-	-	-	-	(545,226)	(545,226)
Transactions with owners, in their capacity as owners, and other transfers:							
Shares issued for cash – private placement	8	48,333	145,000	(20,000)	-	-	125,000
Share issue costs	8	-	(1,475)	-	-	-	(1,475)
Stock-based compensation	8	-	-	-	5,966	-	5,966
Balance at March 31, 2013		**865,268**	**3,196,913**	**-**	**274,247**	**(3,569,005)**	**(97,845)**
Comprehensive loss:							
Loss for the year		-	-	-	-	(207,604)	(207,604)
Transactions with owners, in their capacity as owners, and other transfers:							
Shares issued for cash – private placement	8	300,000	90,000	-	-	-	90,000
Share issue costs	8	-	(1,975)	-	-	-	(1,975)
Balance at March 31, 2014		**1,165,268**	**$ 3,284,938**	**$ -**	**$ 274,247**	**$ (3,776,609)**	**$ (217,424)**

Wolfeye Resource Corp.
Consolidated statements of cash flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2014	Year ended March 31, 2013
Operating activities		
Loss for the year	$ (207,604)	$ (545,226)
Adjustments for:		
Impairment of exploration and evaluation assets	-	167,974
Stock-based compensation	-	5,966
Write-off of accounts payable	5,219	-
Changes in non-cash working capital items:		
Decrease in GST receivable	5,164	66,354
Increase in trade payables and accrued liabilities	94,761	233,785
Net cash flows used in operating activities	(102,460)	(71,147)
Investing activity		
Expenditures on exploration and evaluation assets	-	(107,471)
Net cash flows used in investing activity	-	(107,471)
Financing activities		
Proceeds on issuance of common shares, net	88,025	123,525
Net cash flows from financing activities	88,025	123,525
Decrease in cash	(14,435)	(55,093)
Cash, beginning	16,932	72,025
Cash, ending	**$ 2,497**	**$ 16,932**

Non-cash transactions (Note 12)

1. Nature and continuance of operations

Wolfeye Resource Corp. (the "Company") was incorporated on April 26, 2007, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in North America. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange ("TSX-V"). During the year ended March 31, 2014, the Company consolidated its share capital on 1:3 basis and then consolidated its share capital on 1:10 basis. All share and per share amounts have been retroactively restated to reflect these share consolidations.

The head office, principal address, records office and registered address of the Company are located at 409 Granville Street, Suite 350, Vancouver, British Columbia, Canada, V6C 1T2.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2014 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations, raising significant doubt about its ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

The consolidated financial statements were approved and authorized for issue on July 28, 2014 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted, which is the Company's functional currency.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

The consolidated financial statements include the accounts of the Company and its two inactive controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	**March 31, 2014**	**March 31, 2013**
StoneShield Panama Inc.	Panama	100%	100%
Minera Centinela Inc.	Columbia	100%	100%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the parent company and its subsidiaries.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries is the United States dollar.

2. Significant accounting policies and basis of preparation (cont'd)

Foreign currency translation (cont'd)

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

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. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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.

Farms outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments *(cont'd)*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company's cash and receivables are classified as loans and receivables. The Company's trade payables are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets and 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.

The Company does not have any derivative financial assets or liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of **assets** (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

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

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations (cont'd)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

3. Adoption of new and revised standards

The following standards, amendments, and interpretations have been adopted by the Company as of April 1, 2013. There was no impact on the financial statements as a result of the adoption of these standards, amendments, and interpretations:

a) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27) as amended in 2009) and SIC-12);
b) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
c) IFRS 12 Disclosure of Interests in Other Entities (New; to replace disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31);
d) IFRS 13 Fair Value Measurement (New; to replace fair value measurement guidance in other IFRSs); and
e) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (New).

4. Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after April 1, 2014 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these consolidated financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IAS 32 Financial Instrument Presentation (Amendments to address inconsistencies when applying offsetting requirements); and
c) IFRIC 21 Levies (Interpretation of IAS 37).

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets

	Balance March 31, 2012	Additions	Write-off	**Balance March 31, 2013 and 2014**
Acquisition costs:				
Goldtooth	$ 20,306	$ -	$ -	**$ 20,306**
Geldenhoof	46,055	-	(46,055)	**-**
Exploration costs:				
Goldtooth	28,283	111,429	-	**139,712**
Geldenhoof	121,714	205	(121,919)	**-**
	$ 216,358	$ 111,634	$ (167,974)	**$ 160,018**

Title to exploration and evaluation assets 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 exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing.

Goldtooth

During the year ended March 31, 2012, the Company entered into an option agreement to acquire a 100% interest in certain claims comprising the Goldtooth property (formerly named the Panamint property) located in Inyo County, California, for the following consideration:

i. US$5,000 (CDN$5,163)(paid) upon signing the initial letter of intent;
ii. US$15,000 (CDN$15,143)(paid) upon signing the option agreement;
iii. US$30,000 and incur US$200,000 in exploration expenditures on or before January 24, 2013 (As at March 31, 2013, the Company did not make the required payment or incur the obligated exploration expenditure.);
iv. US$40,000 and incur an additional US$300,000 in exploration expenditures on or before January 24, 2014 (As at March 31, 2014, the Company did not make the required payment or incur the obligated exploration expenditure.);
v. US$50,000 and incur an additional US$500,000 in exploration expenditures on or before on January 24, 2015;
vi. US$75,000 and incur an additional US$500,000 in exploration expenditures on or before on January 24, 2016;
vii. US$100,000 and incur an additional US$600,000 in exploration expenditures on or before on January 24, 2017;
viii. US$150,000 on January 24, 2018;
ix. US$200,000 on January 24, 2019;
x. US$235,000 on January 24, 2020.

The Goldtooth property is subject to a 2.5% net smelter returns royalty ("NSR") which can be purchased by the Company for $500,000 cash for each 0.5%.

As at March 31, 2014, the option agreement was in default. However, as at the date of the board of directors approval of these consolidated financial statements, the Company has not been served with a default notice. The Company is currently in negotiations with the option holder to amend the terms of the option agreement.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (cont'd)

Geldenhoof

During the year ended March 31, 2011, the Company entered into an option agreement to acquire a 100% interest in certain claims comprising the Geldenhoof gold property, located in British Columbia, Canada. The property, which is comprised of a single mineral claim, is located in the Omnica mining division in the province of BC. Pursuant to the option agreement, the Company can acquire an undivided 100% interest in the property by meeting the following contractual commitments:

i. Cash payment of $15,000 (paid) and 5,000 common shares of the Company (issued, at a fair value of $21,000);
ii. Cash payment of $22,000 and 8,333 common shares of the Company on or before February 7, 2013.

Geldenhoof is subject to a 1.5% net smelter returns royalty ("NSR") which can be purchased by the Company for $1,000,000. During the year ended March 31, 2011, the Company incurred additional acquisition costs of $5,430 related to this property.

During the year ended March 31, 2012, the Company signed a property purchase agreement to acquire the TUK claim, which is adjacent to the Company's Geldenhoof property. Under the terms of the agreement, the Company acquired a 100% interest in the TUK Claims by making a one-time cash payment of $2,000 (paid) and issuing 500 shares (issued at a fair value of $2,625). The acquisition expanded the Geldenhoof project to two contiguous mineral claims.

During the year ended March 31, 2013, management elected to not proceed with the option agreement and consequently all related costs were written-off to operations.

6. Trade payables and accrued liabilities

	March 31, 2014	March 31, 2013
Trade payables	$ 351,195	$ 23,448
Amounts due to related parties (Note 9)	5,250	246,017
Accrued liabilities	25,000	12,000
	$ 381,445	$ 281,465

(Expressed in Canadian Dollars)

7. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended March 31, 2014	Year ended March 31, 2013
Net loss	$ (207,604)	$ (545,226)
Statutory tax rate	26.0%	25.0%
Expected income tax recovery at the statutory tax rate	$ (53,977)	$ (136,307)
Non-deductible items and other	1,329	1,123
Effect of reduction in tax rates	(37,863)	-
Temporary differences not recognized	90,511	135,184
Income tax recovery	$ -	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	March 31, 2014	March 31, 2013
Non-capital loss carry-forwards	$ 2,570,046	$ 2,340,694
Exploration and evaluation assets	1,187,877	1,187,877
Share issuance costs	28,420	47,182
	$ 3,786,343	$ 3,575,753

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Exploration and evaluation assets	Share issue costs
2015	$ -	$ -	$ 20,736
2016	-	-	6,599
2017	-	-	690
2018	-	-	395
2028	64,772	-	-
2029	212,348	-	-
2030	229,714	-	-
2031	578,033	-	-
2032	851,685	-	-
2033	405,153	-	-
2034	228,341	-	-
No expiry	-	1,187,877	-
	$ 2,570,046	$ 1,187,877	$ 28,420

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2014 there were 1,165,268 issued and fully paid common shares (2013 – 865,268).

Private placements

On September 27, 2013, the Company completed a non-brokered private placement and issued 150,000 units of the Company at $0.10 per unit for gross proceeds of $15,000. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share for 24 months from the closing of the private placement at a price of $0.50 for the first 12 months and at $1.00 for the remaining 12 months. The Company incurred share issuance for the private placement of $750.

On December 23, 2013, the Company completed a non-brokered private placement and issued 150,000 common shares of the Company at $0.50 per common share for gross proceeds of $75,000. The Company incurred share issuance for the private placement of $1,225.

On May 1, 2012, the Company issued 48,333 units for total proceeds of $145,000 pursuant to a private placement. Each unit consisted of one common share and one half non-transferable share purchase warrant. Each warrant entitles the holder to acquire an additional common share for $4.50 to May 1, 2013 and for $6.00 to May 1, 2014. The Company incurred share issuance costs for the private placement of $1,475.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended March 31, 2014 was based on the loss attributable to common shareholders of $207,604 (2013 - $545,226) and the weighted average number of common shares outstanding of 893,255 (2013 – 861,164).

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

(Expressed in Canadian Dollars)

8. Share capital (cont'd)

Stock options *(cont'd)*

The changes in options during the year ended March 31, 2014 and 2013 are as follows:

	Year ended March 31, 2014			**Year ended March 31, 2013**		
	Number of options	**Weighted average exercise price**		**Number of options**	**Weighted average exercise price**	
Options outstanding, beginning of year	51,333	$	4.20	80,000	$	4.20
Options granted	-		-	5,000		3.00
Options forfeited	(51,333)		4.20	(21,667)		4.60
Options expired	-		-	(12,000)		3.00
Options outstanding, end of Year	-	$	-	51,333	$	4.20
Options exercisable, end of Year	-	$	-	51,333	$	4.20

There were no options outstanding as at March 31, 2014.

The weighted average grant date fair value of options granted during the year ended March 31, 2014 was $Nil (2013 - $1.20). The fair value was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	March 31, 2014	**March 31, 2013**
Expected life of options	-	5 years
Annualized volatility	-	72.94%
Risk-free interest rate	-	1.51%
Dividend rate	-	0%

On May 4, 2012, 5,000 share purchase options were granted to a consultant of the Company. Each option entitles the holder to acquire one common share at $3.00 per share until May 4, 2017. These options vested immediately. The granting of these options resulted in a stock-based compensation expense of $5,521 being recorded in fiscal 2013. On May 29, 2012, the consulting agreement was terminated and the stock options were cancelled on August 27, 2012.

During the year ended March 31, 2013, the Company also recorded $445 in stock-based compensation expense for the vested options granted during the year ended March 31, 2012.

(Expressed in Canadian Dollars)

8. Share capital (cont'd)

Warrants

The changes in warrants during the year ended March 31, 2014 and 2013 are as follows:

	Year ended March 31, 2014		**Year ended March 31, 2013**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of year	405,671	$ 7.30	625,504	$ 7.20
Warrants issued	150,000	0.50	24,167	4.50
Warrants exercised	-	-	-	-
Warrants expired	(381,504)	7.50	(244,000)	7.05
Warrants outstanding, end of year	174,167	$ 1.30	405,671	$ 7.30

Details of warrants outstanding as at March 31, 2014 are as follows:

Number of Shares	Exercise Price	Expiry Date
24,167	$6.00	May 1, 2014 (subsequently expired)
150,000	0.50 (first year) 1.00 (second year)	September 27, 2015
174,167		

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars)

9. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

		March 31, 2014		March 31, 2013
Companies controlled by directors and former director of the Company	$	5,250	$	246,017

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Related party transactions

The Company incurred the following transactions with directors or companies that are controlled by directors of the Company.

	Years ended			
		March 31, 2014		March 31, 2013
Management fees	$	30,250	$	270,500
Consulting fees		5,000		5,000
Rent		-		25,500
	$	35,250	$	301,000

Key management personnel compensation

	Years ended			
		March 31, 2014		March 31, 2013
Short-term employee benefits – management and consulting fees	$	35,250	$	275,500
	$	35,250	$	275,500

Refer also to Note 6.

10. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as receivables consist of refundable government general sales taxes.

10. Financial risk and capital management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risks as it incurs expenditures that are denominates in the United States dollar while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The majority of cash is held in Canadian dollars.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in United States dollars:

		March 31, 2014		**March 31, 2013**
Cash	$	-	$	1,666
Trade payables		(14,715)		(19,912)
	$	(14,715)	$	(18,246)

Based on the above net exposures, as at March 31, 2014, a 10% change in the United States dollar to Canadian dollar exchange rate would impact the Company's net loss by approximately $1,472.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2014, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

10. Financial risk and capital management (cont'd)

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	March 31, 2014	March 31, 2013
Cash	$ 2,497	$ 16,932

Financial liabilities included in the consolidated statement of financial position are as follows:

	March 31, 2014	March 31, 2013
Non-derivative financial liabilities:		
Trade payables	$ 351,195	$ 23,448
Amounts due to related parties	5,250	246,017
	$ 356,445	$ 269,465

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

All of the Company's non-current assets are located in the United States.

12. Non-cash transactions

During the year ended March 31, 2014 and 2013, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Year ended	
	March 31, 2014	March 31, 2013
Transfer of balance of subscription received in advance to common shares on completion of private placement	$ -	$ 20,000

13. Subsequent events

Subsequent to March 31, 2014:

a) the Company completed a non-brokered private placement and issued 6,005,000 units of the Company at $0.06 per unit for gross proceeds of $360,300. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share for 60 months from the closing of the private placement at a price of $0.08.

b) the Company entered into debt forgiveness agreements with various lenders to settle an aggregate debt of $562,063 for consideration of $175,000, of which $315,013 was related to balances outstanding as at March 31, 2014.