

**Kat Exploration Inc.  
Financial Statements  
(Unaudited)  
May 31, 2014**

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( Unaudited )  
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**Kat Exploration Inc.  
Review Engagement Report  
( Unaudited )  
May 31, 2014**

To the Directors

We have reviewed the balance sheet of Kat Exploration Inc. as at May 31, 2014 and the statements of earnings, retained earnings, and cash flows for the proceeding twelve months. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Ken's Accounting Services

**Kat Exploration Inc.**  
**Balance Sheet**  
**May 31, 2014**  
**( Unaudited )**

|   | 2014           | 2013            |
|---|----------------|-----------------|
| <b>Assets</b>                               |                |                 |
| Current                                     |                |                 |
| Bank  | 0              | 0               |
| Accounts Receivable                         | 0              | 0               |
| Security Deposits                           | 0              | 0               |
| Prepaid Insurance                           | 0              | 0               |
|   | <u>0</u>       | <u>0</u>        |
| Capital assets (Note 1 and 2)               | 9,018          | 10,246          |
| Investment                                  | 0              | 0               |
|   | <u>9,018</u>   | <u>10,246</u>   |
| <b>Liabilities and Shareholders' Equity</b> |                |                 |
| Current                                     |                |                 |
| Bank Overdraft                              | 0              | 0               |
| Accounts payable and accruals (Note 3)      | 62,159         | 62,159          |
|   | <u>62,159</u>  | <u>62,159</u>   |
| Total Liabilities                           | <u>62,159</u>  | <u>62,159</u>   |
| Shareholders' Equity                        |                |                 |
| Convertible Debenture                       | 342,859        | 342,859         |
| Shareholder Common Shares (Note 5)          | 2,399,551      | 2,399,551       |
| Retained earnings                           | -2,795,551     | -2,794,323      |
|   | <u>-53,141</u> | <u>-51,913</u>  |
|   | <u>\$9,018</u> | <u>\$10,246</u> |

On behalf of the Board:

Director: \_\_\_\_\_

**Kat Exploration Inc.**  
**Statement of Earnings**  
**May 31, 2014**  
**( Unaudited )**

|                                    | 2014                    | 2013                    |
|------------------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                     | \$0                     | \$0                     |
| <b>Expenses</b>                    |                         |                         |
| Advertising                        | 0                       | 0                       |
| Amortization                       | 1,228                   | 2,305                   |
| Contract Wages                     | 0                       | 0                       |
| Interest and bank charges          | 0                       | 0                       |
| Licence & Fees                     | 0                       | 0                       |
| Professional fees                  | 0                       | 0                       |
| Rent                               | 0                       | 0                       |
| Telephone                          | 0                       | 0                       |
| Wages and benefits                 | 0                       | 0                       |
|                                    | 1,228                   | 2,305                   |
| <b>Net earnings for the period</b> | <u><u>(\$1,228)</u></u> | <u><u>(\$2,305)</u></u> |

**Kat Exploration Inc.**  
**Statement of Retained Earnings**  
**May 31, 2014**  
**( Unaudited )**

|  | <u>2014</u>                 | <u>2013</u>                 |
|--|-----------------------------|-----------------------------|
| Retained earnings, beginning of period | -2,794,323                  | -2,792,018                  |
| Net earnings for the period            | -1,228                      | -2,305                      |
| Retained earnings, end of period       | <u><u>(\$2,795,551)</u></u> | <u><u>(\$2,794,323)</u></u> |

**Kat Exploration Inc.**  
**Statement of Cash Flows**  
**May 31, 2014**  
**( Unaudited )**

|   | 2014            | 2013            |
|---|-----------------|-----------------|
| Cash flows from operating activities      |                 |                 |
| Earnings from operations                  | -1,228          | 0               |
| Add item not involving an outlay of funds |                 |                 |
| Amortization                              | 1,228           | -2,305          |
|   | <u>0</u>        | <u>-2,305</u>   |
| Changes in non-cash working capital       |                 |                 |
| Security Deposits                         | 0               | 0               |
| Accounts Receivable                       | 0               | 0               |
| Prepaid Insurance                         | 0               | 0               |
| Accounts payable                          | 0               | 30,500          |
|   | <u>0</u>        | <u>30,500</u>   |
| Cash flows from investing activities      |                 |                 |
| Purchase of capital assets                | 0               | -28,195         |
|   | <u>0</u>        | <u>-28,195</u>  |
| Cash flows from financing activities      |                 |                 |
| Shares                                    | 0               | 0               |
| Investment                                | 0               | 0               |
| Increase in long term debt                | 0               | 0               |
|   | <u>0</u>        | <u>0</u>        |
| Net increase in cash                      | 0               | 0               |
| Cash at beginning of period               | 0               | 0               |
| Cash at end of period                     | <u><u>0</u></u> | <u><u>0</u></u> |

**Kat Exploration Inc.**  
**Statement of Stockholders Equity**  
**May 31, 2014**  
**( Unaudited )**

|                           | Common<br>Stock | Purchase<br>Common<br>Stock | Addition<br>Common<br>Stock | Retained<br>Earnings | Total<br>Stock<br>Equity |
|---------------------------|-----------------|-----------------------------|-----------------------------|----------------------|--------------------------|
| Balance, at Nov 30, 2013  | -51,913         |                             | 0                           | 0                    | -51,913                  |
| 1st Quarter Addition      |                 |                             | 0                           | 0                    | -614                     |
| 2nd Quarter Addition      |                 |                             | 0                           | 0                    | -614                     |
| 3th Quarter Addition      |                 |                             | 0                           | 0                    | 0                        |
| 4th Quarter Addition      |                 |                             | 0                           | 0                    | 0                        |
| Net Income for the period |                 |                             |                             |                      |                          |
| Balance, at Feb 28, 2014  | -51,913         |                             | 0                           | 0                    | -53,141                  |

Note: The common stock issued has a par value of \$0.0001.

**Kat Exploration Inc.**  
**Notes to Financial Statements**  
**May 31, 2014**  
**( Unaudited )**

The Company was incorporated under the laws of the Province of Newfoundland and Labrador on December 02, 2005. The company explores for mineral deposits.

**1. Summary of significant accounting polices**

The accounting polices of the company are in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

**Capital Assets and Amortization**

Capital assets are recorded at cost. Amortization has been calculated using the declining balance method with rates as follows, except in the year of acquisition when one half of the rate is used.

|           |     |
|-----------|-----|
| Equipment | 20% |
| Computer  | 30% |

**2. Capital Assets**

|           | Rate | Cost            | Accum<br>Amort  | Net Book<br>Value | Net Book<br>Value |
|-----------|------|-----------------|-----------------|-------------------|-------------------|
| Equipment | 20%  | 21,506          | 15,938          | 5,568             | 6,186             |
| Computers | 30%  | 16,925          | 13,475          | 3,450             | 4,060             |
|           |      | <u>\$38,431</u> | <u>\$29,413</u> | <u>\$9,018</u>    | <u>\$10,246</u>   |

**3. Accounts Payable**

|                   | 2014            | 2013            |
|-------------------|-----------------|-----------------|
| Accounts Payables | 62,159          | 62,159          |
| Net Payable       | <u>\$62,159</u> | <u>\$62,159</u> |

**Kat Exploration Inc.**  
**Notes to Financial Statements**  
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**4. Security Deposits**

This represents a \$60. refundable deposit to government for each claim staked. Once an assessment report has been submitted to the Department of Mines and Energy the company is eligible for a refund of \$50. per claim.

**5. Shared Capital:**

Authorized:

2,450,000,000 common shares, par value of \$0.0001 per share.  
30,000,000 shares of preferred A stock, par value \$0.0001 per share.  
5,000,000 shares of preferred B stock, par value \$0.0001 per share.

Issued:

Limited number of no par value common shares of 94,852,518  
9 class A preferred outstanding

Persons owning more than five percent (5%) of the issuer's securities.

|           |                   |        |
|-----------|-------------------|--------|
| Ken Stead | 48,131,688 shares | 51.00% |
| Tim Stead | 24,008,515 shares | 25.30% |