

**MEDINAH MINERALS, INC.
UNAUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
MARCH 31, 2014 AND DECEMBER 31, 2013**

**Scott L. Jenson, PC
Certified Public Accountant**

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Independent Accountant's Compilation Report

Board of Directors
Medinah Minerals, Inc.

I have compiled the accompanying balance sheet of Medinah Minerals, Inc. as of March 31, 2014 and December 31, 2013, and the related statements of income and expense, cash flows, and changes in capital for the periods then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

A handwritten signature in cursive script that reads "Scott L. Jenson, PC".

Scott L. Jenson, PC
Certified Public Accountant

May 8, 2014

MEDINAH MINERALS, INC.
UNAUDITED BALANCE SHEET
AS OF THE DATES INDICATED

	<u>MARCH 31, 2014</u>	<u>DECEMBER 31, 2013</u>
<u>ASSETS</u>		
Current Assets:		
Cash in the bank	\$ 253,546	\$ 337,438
Accounts receivable	513,524	476,199
Trust deposits	120,000	120,000
Prepaid expenses	22,638	22,638
Total Current Assets	<u>909,708</u>	<u>956,275</u>
Property and Equipment	<u>70,207</u>	<u>70,207</u>
Other Assets:		
Non-trading shares of Alluvia (Note 6)	900,000	900,000
Investments (Note 10)	3,098,678	3,370,169
Mining properties (Notes 4 and 9)	44,308,211	42,055,634
Total Other Assets	<u>48,306,889</u>	<u>46,325,803</u>
Total Assets	<u>\$ 49,286,804</u>	<u>\$ 47,352,285</u>
<u>LIABILITIES AND CAPITAL</u>		
Current Liabilities:		
Accounts payable	\$ 7,437	\$ 8,000
Other Liabilities:		
Loans from stockholders (Note 3)	384,172	403,508
Total Liabilities	<u>391,609</u>	<u>411,508</u>
Capital:		
Common stock-Par value \$.001		
Authorized shares- 3,000,000,000 ;		
Issued, 950,003,000 at 3/31/2014,		
and 948,953,279 at 12/31/2013,		
plus 4,400,000 shares are in the		
treasury with no cost on both dates	950,003	948,953
Preferred stock- Par value \$.001;		
Authorized, 1,000,000,000 (Note 3)	38,130	38,130
Additional paid-in capital	52,761,042	50,857,117
Retained (deficit)	(4,853,980)	(4,903,423)
Total Capital	<u>48,895,195</u>	<u>46,940,777</u>
Total Liabilities and Capital	<u>\$ 49,286,804</u>	<u>\$ 47,352,285</u>

See independent accountant's compilation report.

MEDINAH MINERALS, INC.
UNAUDITED STATEMENT OF INCOME AND EXPENSE
FOR THE PERIODS INDICATED

	FOR THE THREE MONTHS ENDING <u>3/31/2014</u>	FOR THE YEAR ENDING <u>12/31/2013</u>
Sales	\$ <u>439,925</u>	\$ <u>1,009,275</u>
Operating Expenses:		
Salaries and wages	\$ 11,149	\$ 68,621
Repairs and maintenance	512	4,832
Rents	5,615	24,845
Travel	7,473	67,132
Automobile	451	1,103
Bank charges	1,320	2,442
Legal and professional	16,911	96,774
News service	21,889	54,654
Office	969	15,744
Las Vegas office	18,000	21,000
Postage	434	11,587
Telephone	3,447	16,361
Accounting	4,709	27,350
Computer repairs	679	2,001
Management fees	14,533	175,850
Trust and transfer	10,597	73,036
General meeting	5,840	-
Web site	2,000	2,000
Total Operating Expenses	<u>126,528</u>	<u>665,332</u>
Net Income From Operations	\$ 313,397	\$ 343,943
Extraordinary Income (Notes 6, 8 &10)	\$ <u>40,076</u>	\$ <u>944,000</u>
Net Income	\$ <u>353,473</u>	\$ <u>1,287,943</u>

See independent accountant's compilation report.

MEDINAH MINERALS, INC.
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIODS INDICATED

	FOR THE THREE MONTHS ENDING <u>3/31/2014</u>	FOR THE YEAR ENDING <u>12/31/2013</u>
<u>Cash Flows from Operations:</u>		
Net Income	<u>\$ 353,473</u>	<u>\$ 1,287,943</u>
Adjustments to Reconcile with Net Cash:		
Expenses paid with stock	-	256,500
Non-cash settlement (Note 6)	-	(900,000)
Accounts Receivable	(37,325)	(42,251)
Trust Deposits	-	-
Prepaid Expenses	-	18,557
Accounts Payable	(563)	1,280
Net Adjustments to Income	<u>(37,888)</u>	<u>(665,914)</u>
Total Cash Flows From Operations	<u>315,585</u>	<u>622,029</u>
<u>Cash Flows From Investing Activities:</u>		
Advances (repayment) of stockholder loans	(19,336)	196,566
Proceeds from (payments for) investments	271,491	(737,679)
Purchase of property and equipment	-	(20,879)
Investment in Mining Properties	(672,577)	(246,025)
Total Cash Flows From Investing Activities	<u>(420,422)</u>	<u>(808,017)</u>
<u>Cash Flows From Financing Activities:</u>		
Sale of common stock net of cancellations	20,945	309,577
Total Cash Flows From Financing Activities	<u>20,945</u>	<u>309,577</u>
Total Cash Flows	<u>(83,892)</u>	<u>123,589</u>
Cash Balance at January 1	<u>337,438</u>	<u>213,849</u>
Cash Balance at the End of the Period	<u>\$ 253,546</u>	<u>\$ 337,438</u>

See independent accountant's compilation report.
See the following page for non-cash transactions.

MEDINAH MINERALS, INC.
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIODS INDICATED (PAGE 2)

During the year ending December 31, 2013, the
Company had the following non-cash transactions:

The Company purchased the JOTA Property in exchange for 20 million shares of common stock valued at	\$ 609,654
The Company issued 9.5 million shares of common stock in payment of directors' fees and expenses	\$ 256,500
Two directors contributed 2,200,000 shares each gratuitously	\$ 44,000
870,000 shares of preferred stock were exchanged for 6,700,000 common shares	\$ 87,000
The Company got 90 million non-trading shares of Alluvia Mining as a settlement with Amarant Mining (Note 6)	\$ 900,000
The Company's transfer agent cancelled 1,618,000 shares of common stock it deemed unauthorized	\$ 1,618
The Company gave 35 million shares of preferred stock to purchase property from its president and family (Note 9)	\$ 35,000,000
The Company cancelled its Ciclon transaction from 2012 above However the Turner property interest was not returned (Note 6)	\$ (1,600,000)

During the three months ending March 31, 2014, the Company had the
following non-cash transactions:

None

See Independent accountant's compilation report.

MEDINAH MINERALS, INC.
UNAUDITED STATEMENT OF CHANGES IN CAPITAL
FOR THE PERIODS INDICATED

	<u>Common Stock</u>	<u>Preferred Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>TOTAL CAPITAL</u>
Balances at December 31, 2012	<u>\$ 932,082</u>	<u>\$ 4,000</u>	<u>\$ 16,332,387</u>	<u>\$ (6,191,366)</u>	<u>\$ 11,077,103</u>
Transactions During 2013:					
Sale of common stock for cash	\$ 7,139		308,456		\$ 315,595
Net income				1,287,943	1,287,943
Conversion of preferred shares	6,700	(870)	(5,830)		-
Purchase of JOTA property	20,000		589,654		609,654
Payment of expenses	9,050		247,450		256,500
Cancellation of unauthorized share	(1,618)				(1,618)
Issue preferred shares for property (Note 9)		35,000	34,965,000		35,000,000
Cancel Ciclon transaction (Note 6)	(20,000)		(1,580,000)		(1,600,000)
Stock donated to the treasury (Note 6)	(4,400)	-	-	-	(4,400)
Balances at December 31, 2013	<u>\$ 948,953</u>	<u>\$ 38,130</u>	<u>\$ 50,857,117</u>	<u>\$ (4,903,423)</u>	<u>\$ 46,940,777</u>
Transactions During 2014:					
Sale of common stock for cash	\$ 1,050		\$ 19,895		\$ 20,945
Net income	-	-	-	353,473	353,473
Balances at March 31, 2014	<u>\$ 950,003</u>	<u>\$ 38,130</u>	<u>\$ 50,877,012</u>	<u>\$ (4,549,950)</u>	<u>\$ 47,315,195</u>

See independent accountant's compilation report.

MEDINAH MINERALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
AS OF MARCH 31, 2014 AND DECEMBER 31, 2013

NOTE 1—BUSINESS AND HISTORY

The Company was incorporated October 6, 1989 under the laws of the State of Nevada as Medinah Energy, Inc. In 2001, it changed its name to Medinah Mining, Inc. and in 2008 to Medinah Minerals, Inc. The Company is in the business of acquiring, exploring and developing mining properties, some of which are held in a wholly owned company—Medinah Mining Chile.

NOTE 2—ACCOUNTING POLICIES

The Company uses the accrual accounting method as required by Generally Accepted Accounting Principles.

The Company has no depreciable assets, so there is no depreciation or depreciation policy.

The Company considers that “cash and cash equivalents” is composed of cash on hand, demand deposits, and time deposits with less than ninety days to maturity.

The Company has significant operating loss carry-forwards available to apply against future taxable earnings. However, there is no deferred tax asset because any future benefit is considered to be impaired by the Company’s history of unprofitability.

The Company has recorded its investment in Medinah Mining Chile at cost under the purchase method. See Notes 4 and 9.

NOTE 3—LOANS FROM STOCKHOLDERS

In 2002, the Board of Directors passed a resolution that the stockholder loans would bear an interest rate of 10%, with no specific terms of repayment. The stockholder loans consist of the following: Juan José Quijano Fernández, president, director, and stockholder, as to \$73,000; Gregory Chapin, director and stockholder, as to \$335,963; and GXK Venture, Inc. (Les Price), stockholder, as to \$1,142,336. During 2012, by Board resolution, the Company issued some of its newly authorized preferred shares to these stockholders to satisfy these obligations.

NOTE 4—MEDINAH MINING CHILE

Many of the Company’s Chilean mining properties are owned by Medinah Mining Chile, which was owned 51% by the Company, and 49% by the Company’s president, Juan José Quijano Fernández and his family. On October 26, 2013, the Company purchased the other 49% (See Note 9).

MEDINAH MINERALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (PAGE 2)
AS OF MARCH 31, 2014 AND DECEMBER 31, 2013

NOTE 5—COMMITMENTS AND CONTINGENCIES

The Company is involved as a co-defendant, along with Juan José Quijano Fernández and Les Price, in a Supreme Court of British Columbia suit (Vancouver Supreme Court No. s081066) which was commenced February 22, 2008 by Russell K Godwin and RGM Communications.

The plaintiffs' claim against Medinah and the other defendants is that damages and monies are owing on the basis of alleged contracts between an individual named Gordon David House, deceased, and Medinah. Mr. Godwin, who is also an executor of Mr. House's estate, purchased the right to sue on these contracts from the estate for the sum of one dollar. The defendants are countersuing Mr. Godwin and the other executors (being Ben Ainsworth and Helga Hansen) for improperly selling these contracts to their co-executor.

Mr. Godwin subsequently bundled the House contracts with his own contracts with Medinah and incorporated all of them in the lawsuit as well.

With respect to what these contracts precisely were, the defendant takes the position that they are all unauthorized, non-binding and unratified debts that Godwin and House attempted to saddle Medinah with just prior to their being relieved of their directorships of Medinah in 2004, and have no merit.

The amounts involved in the Claim, Counterclaim and third Party Claim exceed three million dollars. There is also the question of the repayment by Godwin and the estate of the value of those Medinah shares which Godwin and House apparently allotted to each other and sold without advising Medinah of the same.

The plaintiffs have not taken any subsequent steps in this litigation, and while it remains a possible liability to Medinah, the Company has not booked any loss there might eventually be in this matter since it seems more likely than not that any settlement, adjudication or other conclusion will not result in a loss.

Medinah, et. al. is now proceeding against the plaintiffs with Examinations of Discovery, with a view to an early (perhaps two years) trial date.

On December 24, 2013, the Company's attorney offered to settle the suit by having the plaintiffs pay the Company and other defendants \$250,000 as liquidated damages. There has been no response from either the plaintiffs or their lawyers.

The Company has no other commitments or contingencies, including environmental remediation matters, of which it is aware.

MEDINAH MINERALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (PAGE 3)
AS OF MARCH 31, 2014 AND DECEMBER 31, 2013

NOTE 6—NON-CASH TRANSACTIONS

On January 27, 2012, it was announced that the LDM property was going into production at an approximate cost of one million dollars, funded by the company, LDM, Chile. Medinah's net position in this is 37.5% with no capital outlay.

On February 7, 2012 a joint venture agreement was signed on the Altos de Lipangue properties as to an option to sell 85 percent of these properties for \$180,000,000 to be received over a three year period from Amarant Mining. On May 11, the Company cancelled this option for non-performance. The Company has 90 million non-trading shares of Alluvia Mining, which were a security deposit, as settlement. It has valued the shares at the nominal price of \$.01 each, or a total of \$900,000. The shares have a deemed value of \$.60 each at such time as they begin trading on the London exchange.

During the year 2012, the Company issued twenty million of its common shares in exchange for a ten percent interest in each of the Ciclon 1 and 2 properties. This transaction was cancelled in December, 2013, and all shares and applicable costs were returned to Medinah.

On February 16, 2012 the Company increased its authorized common shares to three billion and its authorized preferable, non-voting, redeemable shares were set at one billion.

On February 22, 2013, the Company announced that it had acquired a twenty percent interest in a Chilean corporation referred to as American Medinah Gold. AMG owns mining claims on a total of 3,150 hectares of placer claims and 3,200 hectares of hard rock claims, and which are referred to by the Company as the "JOTA property." The interest was received in exchange for 20,000,000 shares of the Company's common stock valued at \$ 400,000.

NOTE 7—INVESTMENT IN MEDINAH GOLD, INC.

In December 2011, the Company settled its advances to affiliated companies by taking 4,500,000 shares of Medinah Gold, Inc. at a deemed value of \$.10 per share.

At a directors' meeting of Medinah Gold, Inc. on February 10, 2012 they approved an additional 5,500,000 shares of their stock to come to the Company in exchange for accrued interest on the indebtedness that was retired in December, 2011.

These shares are shown as part of the "Other Investments."

On October 26, 2013 the shares of Medinah Gold were acquired by American Sierra Gold on a one for one basis, and the Company now owns ten million shares of American Sierra Gold, which trades on the OTC Bulletin Board at about 12 cents.

See also Notes 7 and 9.

MEDINAH MINERALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (PAGE 3)
AS OF MARCH 31, 2014 AND DECEMBER 31, 2013

NOTE 8—DONATION OF COMMON SHARES

Two of the Company's directors each donated some 2,200,000 of the Company's common shares back to the Company with no consideration. This has been shown as issued, but not still outstanding common stock, with no value.

NOTE 9—RELATED PARTY TRANSACTION

On October 26, 2013, the Company purchased the 49% interest in Medinah Mining Chile which it did not previously own, but which was owned by the Company's president, Juan José Quijano Fernández and his family, together with additional property interests owned by Minera Altos de Lipangue Limitada, by issuing some 35 million of its preferred shares which are convertible into 350 million shares of common stock. The transaction was valued at the conversion price of ten cents per share. The transaction was entered into in order that all of the interests in the subject properties would be under common ownership in order to accommodate a sale/joint venture agreement with a major mining company.

NOTE 10—INVESTMENTS

On January 6, 2014, the Company received 300 shares of Compañía Minera Madre de Dios, representing a 30% interest, from the Company's president, Juan José Quijano Fernández for no consideration other than claims work being done for Medinah Mining Chile. This company owns more than 8,000 hectares of gold hard rock and placer claims located approximately 600 kilometers south of Santiago, Chile.

Also during 2014, the Company sold some 10,870,000 of its shares in American Sierra Gold for some \$311,567. The shares had a basis of \$271,491, leaving an extraordinary gain of \$40,076.