MINERAL MOUNTAIN RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended June 30, 2014

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report in accordance with securities legislation and the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	June 30, 2014	March 31, 2014
ASSETS			
Current assets			
Cash		$ 22,323	$ 21,158
Marketable securities	4	11,250	5,000
Receivables	5	12,837	18,761
Prepaid expenses and deposits	6	76,184	87,343
Investment in GRIT shares	7	1,177,193	1,573,000
		1,299,787	1,705,262
Non-current assets			
Restricted cash	8	28,750	28,750
Exploration and evaluation assets	10	8,325,763	8,198,185
Property and equipment	9	186,760	192,653
		8,541,273	8,419,588
Total assets		$ 9,841,060	$ 10,124,850
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	$ 204,732	$ 108,439
Amounts due to related parties	13	180,946	102,308
Loans from related parties	13	94,869	48,112
Loans payable	12	126,211	-
Total liabilities		606,758	258,859
Equity			
Share capital		33,420,632	33,420,632
Share-based payments reserve		2,503,416	2,503,416
Accumulated other comprehensive loss		(2,500)	(8,750)
Deficit		(26,687,246)	(26,049,307)
Total equity		9,234,302	9,865,991
Total liabilities and equity		$ 9,841,060	$ 10,124,850

Commitments (Note 10, 13 & 20)

Events after the reporting period (Note 21)

The financial statements were authorised for issue by the board of directors on August 27, 2014 and were signed on its behalf by:

"Nelson Baker" Director
Chief Executive Officer

"John Morita" Director
Chief Financial Officer

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
THREE MONTHS ENDED JUNE 30
(Unaudited – Prepared by Management)

	Note		2014		2013
EXPENSES					
Consulting		$	92,780	$	100,970
Depreciation	9		17,092		24,812
Loan interest			2,968		-
Media and news dissemination			1,201		86,165
Office and miscellaneous			19,325		22,759
Professional fees			20,348		13,258
Rent			24,168		22,830
Transfer agent and filing fees			9,185		8,514
Travel and conference			6,388		37,082
Wages and benefits			49,638		47,124
			(243,093)		(363,514)
OTHER ITEMS					
Interest income			79		6,435
Foreign exchange			882		2,701
Unrealized loss on investment in GRIT shares	7		(395,807)		-
			(394,846)		9,136
Net loss for the period			(637,939)		(354,378)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:					
Fair value gain (loss) on marketable securities			6,250		(13,750)
Comprehensive loss for the period		$	(631,689)	$	(368,128)
Basic and diluted loss per common share	14	$	(0.00)	$	(0.00)

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Note	Number of Shares		Share capital		Share-based payments reserve		Accumulated other comprehensive loss		Deficit		Total equity
Balance, March 31, 2014		143,411,198	$	33,420,632	$	2,503,416	$	(8,750)	$	(26,049,307)	$	9,865,991
Comprehensive loss												
Loss for the period		-		-		-		-		(637,939)		(637,939)
Other comprehensive income for the period		-		-		-		6,250		-		6,250
Comprehensive loss for the period		-		-		-		6,250		(637,939)		(631,689)
Balance, June 30, 2014		143,411,198	$	33,420,632	$	2,503,416	$	(2,500)	$	(26,687,246)	$	9,234,302

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd…)
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance, March 31, 2013		112,281,198	$ 31,717,137	$ 2,856,765	$ 5,000	$ (20,814,576)	$ 13,764,326
Comprehensive loss							
Loss for the period		-	-	-	-	(354,378)	(354,378)
Other comprehensive loss for the period		-	-	-	(13,750)	-	(13,750)
Comprehensive loss for the period		-	-	-	(13,750)	(354,378)	(368,128)
Transactions with owners							
Acquisition of exploration and evaluation assets	14	2,500,000	225,000	-	-	-	225,000
Adjustment on expiration of stock options		-	-	(87,375)	-	87,375	-
Transactions with owners		2,500,000	225,000	(87,375)	-	87,375	225,000
Balance, June 30, 2013		114,781,198	$ 31,942,137	$ 2,769,390	$ (8,750)	$ (21,081,579)	$ 13,621,198

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

MINERAL MOUNTAIN RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JUNE 30
(Unaudited – Prepared by Management)

	Note	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (637,939)	$ (354,378)
Items not affecting cash:			
Accrued loan interest		2,968	-
Depreciation		17,092	24,812
Unrealized loss on investment in GRIT shares		395,807	-
Changes in non-cash working capital items:			
Receivables		5,924	26,468
Prepaid expenses and deposits		11,159	24,251
Trade and other payables		61,391	3,693
Amounts due to related parties		78,638	(13,168)
Net cash used in operating activities		(64,960)	(288,322)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(92,333)	(597,317)
Purchase of property and equipment		(11,542)	(43,221)
Net cash used in investing activities		(103,875)	(640,538)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party loans		45,000	-
Proceeds from loans		125,000	-
Net cash provided by financing activities		170,000	-
Change in cash during the period		1,165	(928,860)
Cash, beginning of the period		21,158	1,744,233
Cash, end of the period		$ 22,323	$ 815,373

Supplemental disclosures with respect to cash flows (Note 16)

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

1. NATURE OF BUSINESS

Mineral Mountain Resources Ltd. (the "Company") was incorporated on September 1, 2006 under the laws of British Columbia, Canada and maintains its head office at Suite 401, 1195 West Broadway, Vancouver, British Columbia, Canada, V6H 3X5. Its registered office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company's common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol "MMV" and on the OTCQX International under the symbol "MNRLF".

2. BASIS OF PREPARATION

These condensed unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed unaudited interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended March 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

These unaudited interim consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

These unaudited interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These unaudited interim consolidated financial statements are presented in Canadian dollars, which is functional currency of the Company and its subsidiary.

Going concern of operations

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its consolidated financial statements.

These unaudited interim consolidated financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd…)

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent's warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

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

i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

iii) The classification of financial instruments.

iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual financial statements for the year ended March 31, 2014 were consistently applied to all the periods presented unless otherwise noted below.

New accounting policies in effect April 1, 2014

Certain new standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2014. The Company has adopted the following new standard.

i) Amendments to IAS 32 *Financial Instruments: Presentation* (IAS 32) have been issued to clarify requirements for offsetting of financial assets and financial liabilities. The amendments are applicable for annual periods beginning on or after January 1, 2014, with retrospective application required. The adoption of the amendments to IAS 32 did not have a material impact on these financial statements.

Future accounting changes

New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. In February 2014, the IASB tentatively decided that the mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of adopting IFRS 9 on its financial statements.

4. MARKETABLE SECURITIES

	June 30, 2014	March 31, 2014
Common shares of Duncastle Gold Corp.	$ 11,250	$ 5,000

Marketable securities are measured at fair value which is determined using quoted closing prices of the shares on the exchange where they are listed, at the end of each reporting period. A change in fair value of the marketable securities is included as a component of other comprehensive income. Refer to Note 18 for further information on the measurement of fair value. See Note 10 "Duncastle Option Agreement".

5. RECEIVABLES

	June 30, 2014	March 31, 2014
GST/HST recoverable	$ 12,687	$ 14,490
Interest receivable	150	71
Other receivable	-	4,200
	$ 12,837	$ 18,761

6. PREPAID EXPENSES AND DEPOSITS

	June 30, 2014	March 31, 2014
Exploration advances	$ 21,263	$ 21,263
Prepaid expenses	24,471	35,630
Rental deposit	30,450	30,450
	$ 76,184	$ 87,343

7. INVESTMENT IN GRIT SHARES

The Company holds 1,121,128 common shares of Global Resources Investment Trust Plc ("GRIT") which were acquired on February 27, 2014 in exchange for 28,600,000 common shares of the Company (Note 14). The GRIT shares are listed on the London Stock Exchange and subject to resale restrictions expiring on September 7, 2014, including the requirement for any share sales to be approved by GRIT. There exists significant uncertainty as to the timing and the value of the proceeds that will be eventually received on the sale of these shares. For the three months ended June 30, 2014, the Company recorded an unrealized loss of $395,807 (2013 - $nil) as a result of a change in fair value of the GRIT shares.

8. RESTRICTED CASH

The Company has provided corporate credit cards to its directors with a credit limit totalling $25,000 for the Company's expenses. As collateral for the credit cards, the Company has a one-year term deposit of $28,750 earning annual interest at the prime rate minus 2.05%. As at June 30, 2014, the credit cards had an outstanding balance of $13,995 (March 31, 2014 - $9,933) in total.

9. PROPERTY AND EQUIPMENT

	Building	Computer software	Office furniture & equipment	Field equipment	Total
Cost					
Balance as at March 31, 2014	$ 145,285	$ 220,493	$ 83,404	$ 13,717	$ 462,899
Additions	-	11,542	-	-	11,542
Balance as at June 30, 2014	145,285	232,035	83,404	13,717	474,441
Accumulated depreciation					
Balance as at March 31, 2014	47,517	177,104	44,940	685	270,246
Depreciation for the period	3,632	9,290	4,170	343	17,435
Balance as at June 30, 2014	51,149	186,394	49,110	1,028	287,681
Net value as at June 30, 2014	$ 94,136	$ 45,641	$ 34,294	$ 12,689	$ 186,760

	Building	Computer software	Office furniture & equipment	Vehicle & field equipment	Total
Cost					
Balance as at March 31, 2013	$ 145,285	$ 184,035	$ 79,336	$ 20,133	$ 428,789
Additions	-	36,458	4,068	13,717	54,243
Disposal	-	-	-	(20,133)	(20,133)
Balance as at March 31, 2014	145,285	220,493	83,404	13,717	462,899
Accumulated depreciation					
Balance as at March 31, 2013	32,989	105,935	28,665	9,459	177,048
Depreciation for the year	14,528	71,169	16,275	1,692	103,664
Adjustment on disposal	-	-	-	(10,466)	(10,466)
Balance as at March 31, 2014	47,517	177,104	44,940	685	270,246
Net book value as at March 31, 2014	$ 97,768	$ 43,389	$ 38,464	$ 13,032	$ 192,653

During the three months ended June 30, 2014, the Company expensed $17,092 (2013 - $24,812) in depreciation to the statement of comprehensive loss and capitalized $343 (2013 - $1,178) to exploration and evaluation assets.

10. EXPLORATION AND EVALUATION ASSETS

	March 31, 2013	Additions/ (Recoveries)	Write-offs	March 31, 2014	Additions/ (Recoveries)	Write-offs	June 30, 2014
Holy Terror Project, South Dakota							
Acquisition costs							
Option payments	$ 2,554,641	$ 476,325	$ -	$ 3,030,966	$ -	$ -	$ 3,030,966
Staking and other property costs	219,155	49,901	-	269,056	3,009	-	272,065
	2,773,796	526,226	-	3,300,022	3,009	-	3,303,031
Exploration costs							
Accommodation/camp	8,685	30,099	-	38,784	8,839	-	47,623
Assays	341,318	5,853	-	347,171	-	-	347,171
Drilling	1,337,415	5,997	-	1,343,412	356	-	1,343,768
Equipment rental	19,673	13,774	-	33,447	1,704	-	35,151
Field work	195,491	96,204	-	291,695	25,289	-	316,984
Geological consulting	562,412	355,004	-	917,416	65,342	-	982,758
Geophysical survey	288,544	3,059	-	291,603	-	-	291,603
Miscellaneous	57,559	44,189	-	101,748	73	-	101,821
State and local taxes	83,003	20,275	-	103,278	3,044	-	106,322
Travel	99,938	26,235	-	126,173	6,435	-	132,608
	2,994,038	600,689	-	3,594,727	111,082	-	3,705,809
	$ 5,767,834	$ 1,126,915	$ -	$ 6,894,749	$ 114,091	$ -	$ 7,008,840

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10. EXPLORATION AND EVALUATION ASSETS

Continued…	**March 31, 2013**	**Additions/ (Recoveries)**	**Write-offs**	**March 31, 2014**	**Additions/ (Recoveries)**	**Write-offs**	**June 30, 2014**
Rochford Project, South Dakota							
Acquisition costs							
Staking and other property costs	$ 191,390	$ 45,515	$ -	$ 236,905	$ -	$ -	$ 236,905
Exploration costs							
Assays	674	-	-	674	-	-	674
Equipment rental	1,612	430	-	2,042	-	-	2,042
Field work	307	1,082	-	1,389	-	-	1,389
Geological consulting	32,412	55,646	-	88,058	12,850	-	100,908
Geophysical survey	202,470	22,433	-	224,903	-	-	224,903
Miscellaneous	207	1,650	-	1,857	-	-	1,857
State and local taxes	19,591	3,777	-	23,368	281	-	23,649
Travel	8,161	6,857	-	15,018	-	-	15,018
	265,434	91,875	-	357,309	13,131	-	370,440
	$ 456,824	$ 137,390	$ -	$ 594,214	$ 13,131	$ -	$ 607,345

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10. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Continued…	March 31, 2013	Additions/ (Recoveries)	Write-offs	March 31, 2014	Additions/ (Recoveries)	Write-offs	June 30, 2014
Kootenay Arc Project, British Columbia							
Acquisition costs							
Option payments	$ 769,575	$ 27,100	$ (795,675)	$ 1,000	$ -	$ -	$ 1,000
Staking and other property costs	179,772	3,072	(182,844)	-	-	-	-
	949,347	30,172	(978,519)	1,000	-	-	1,000
Exploration costs							
Accommodation/camp	101,733	-	(101,733)	-	-	-	-
Assays	453,403	1,296	(454,699)	-	-	-	-
Drilling	415,058	-	(415,058)	-	-	-	-
Equipment rental	86,939	-	(86,939)	-	-	-	-
Field work	607,478	-	(607,478)	-	-	-	-
Geological consulting	646,725	-	(646,725)	-	-	-	-
Geophysical survey	683,076	-	(683,076)	-	-	-	-
Helicopter rental	748,709	-	(748,709)	-	-	-	-
Miscellaneous	27,556	-	(27,556)	-	-	-	-
Project administration	111,929	-	(111,929)	-	-	-	-
Soil and rock sampling	129,621	-	(129,621)	-	-	-	-
BC mining exploration tax credit	(441,700)	(23,488)	465,188	-	-	-	-
	3,570,527	(22,192)	(3,548,335)	-	-	-	-
	$ 4,519,874	$ 7,980	$ (4,526,854)	$ 1,000	$ -	$ -	$ 1,000

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10. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Continued…	March 31, 2013	Additions/ (Recoveries)	Write-offs	March 31, 2014	Additions/ (Recoveries)	Write-offs	June 30, 2014
Pipestone Project, Ontario							
Acquisition costs							
Option payments	$ 413,750	$ -	$ -	$ 413,750	$ -	$ -	$ 413,750
Staking and other property costs	-	716	-	716	281	-	997
	413,750	716	-	414,466	281	-	414,747
Recoveries	(13,750)	(43,160)	-	(56,910)	-	-	(56,910)
	400,000	(42,444)	-	357,556	281	-	357,837
Shining Tree Project, Ontario							
Acquisition costs							
Option payments	350,000	-	-	350,000	-	-	350,000
Staking and other property costs	-	666	-	666	75	-	741
	350,000	666	-	350,666	75	-	350,741
Total	$ 11,494,532	$ 1,230,507	$ (4,526,854)	$ 8,198,185	$ 127,578	$ -	$ 8,325,763

10. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Holy Terror Project, South Dakota

The Company's Holy Terror project is located in the Keystone Mining District, Pennington County, South Dakota, United States and includes the following properties:

Holy Terror Property

On May 30, 2012, the Company signed an option agreement ("Holy Terror Agreement") with the Holy Terror Mining Company ("Holy Terror Mining"), whereby Holy Terror Mining granted the Company the exclusive working right and option to acquire up to a 75% interest in certain mineral claims located in the Keystone Mining District, Pennington County, South Dakota. Pursuant to the Holy Terror Agreement and subsequent amendment signed on October 8, 2013, the Company must make cash payments of US$1,000,000, issue 10,000,000 common shares and incur US$7,500,000 in exploration expenditures by May 30, 2022 to earn a 60% interest in the property. To date, the Company has paid US$500,000, issued 5,000,000 common shares (with a fair value of $700,000) and incurred approximately US$4,850,000 of deemed exploration expenditures. The remaining option payments are due as follows:

- pay US$250,000 and issue 2,500,000 common shares by May 30, 2014 (paid and issued subsequent to June 30, 2014);
- pay US$250,000 and issue 2,500,000 common shares by May 30, 2015; and
- incur additional US$2,650,000 in exploration expenditures by May 30, 2022.

To exercise its option to acquire an additional 15% interest in the property, for a 75% interest in aggregate, the Company shall incur additional exploration expenditures of US$12,500,000 by May 30, 2022. The property is subject to a 3% net smelter returns royalty ("NSR").

Once the Company has earned its interest in the property (either a 60% interest or a 75% interest), the Company and Holy Terror Mining will form a joint venture (the "Joint Venture"). The Company will then be responsible for the first US$25,000,000 of expenditures on the property and there will be no dilution of the Holy Terror Mining's interest in the Joint Venture. In addition, upon the formation of the Joint Venture, the Company agreed to make a further cash payment of US$250,000 per year to Holy Terror Mining until the US$25,000,000 of exploration expenditures has been incurred on the property.

Bullion Mine Property

On August 15, 2012, the Company and its wholly-owned subsidiary entered into an asset purchase agreement with Energy Fuels Corporation ("Energy Fuels"), whereby Energy Fuels agreed to sell certain mineral claims located in the Keystone Mining District in Pennington County, South Dakota in consideration of 4,000,000 common shares of the Company (issued with a fair value of $1,000,000) and 4,000,000 share purchase warrants (issued with a fair value of $563,657 using the Black-Scholes option pricing model, assuming a risk-free interest rate of 1.25%, an expected life of 3 years, annualized volatility of 102% and a dividend rate of 0%). Of the 4,000,000 share purchase warrants, 2,000,000 warrants are exercisable at a price of $0.35 per share until August 27, 2015 and the remaining 2,000,000 warrants are exercisable at a price of $0.40 per share until August 27, 2015. Because the Bullion Mine property falls within the area of interest defined in the Holy Terror Agreement, a deemed cost of $750,000 for the 4,000,000 issued common shares for the purchase of the Bullion Mine property is considered as part of the exploration expenditure commitment pursuant to the Holy Terror Agreement.

10. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Holy Terror Project, South Dakota (cont'd…)

Bismarck Mine Property

On August 27, 2012, Holy Terror Mining acquired an additional 241 mineral claims that fall within the area of interest under the Holy Terror Agreement. The Company, as part of its obligations under the Holy Terror Agreement, has reimbursed Holy Terror Mining the purchase price of $223,359. The purchase price is considered as part of the exploration expenditure commitment pursuant to the Holy Terror Agreement.

Staked Mining Claims

In October 2012, the Company staked an additional 70 unpatented federal lode mining claims for approximately $172,000. The staked claims falls within the area of interest defined in the Holy Terror Agreement and forms part of the terms and conditions of the aforementioned option agreement.

Rochford Project, South Dakota

During the year ended March 31, 2013, the Company acquired certain mineral claims in the Rochford Mining District of the Black Hills, South Dakota, by staking at a cost of $191,390. The newly acquired mineral claims are situated approximately 40 kilometers northwest of the Company's Holy Terror Project in the Keystone Mining District.

Kootenay Arc Project, British Columbia

The Company's Kootenay Arc project is located in the Kootenay Land District of British Columbia. During the year ended March 31, 2014, the Company decided not to continue working on the property and allowed most of the mineral claims lapsed. Accordingly, the Company wrote down the acquisition and exploration costs totaling $4,526,854, leaving a balance of $1,000.

Pipestone Project, Ontario

The Company's Pipestone Project is located in the Kenora Mining District in north western Ontario and includes the following properties:

Whetstone Property

On February 23, 2011, the Company entered into a letter agreement with Whetstone Minerals Ltd. to acquire a 100% interest in certain unpatented claims located in the Kenora Mining District in north western Ontario. The Company has earned a 100% interest in the property by paying $200,000 and issuing 650,000 common shares with a fair value of $250,250.

The property is subject to a 2% NSR and the Company has the option to purchase one-half of the NSR (1%) at any time for $1,000,000.

10. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Pipestone Project, Ontario (Cont'd…)

Eustace Property

On July 22, 2011, the Company entered into an agreement to acquire a 100% interest in certain patented claims located in the Kenora Mining District in north western Ontario. The Company has earned a 100% interest in the property by paying $600,000 and issuing 350,000 common shares with a fair value of $167,000.

The property is subject to a 3% NSR and the Company has the option to purchase a 2% of the 3% NSR at a price of $1,000,000 for each 1%.

Duncastle Option Agreement

On October 25, 2012, the Company signed a letter of understanding with Duncastle Gold Corp. ("Duncastle"), whereby the Company granted Duncastle an option to acquire up to a 100% interest in the Company's Pipestone Project, subject to a 2% NSR, by making cash payments of $300,000, issuing 2,000,000 common shares of Duncastle (250,000 common shares received) and incurring exploration expenditures of $4,000,000 on the property over five years. During the year ended March 31, 2014, Duncastle decided not to proceed with the option agreement and returned the Pipestone property to the Company.

Shining Tree Project, Ontario

On October 25, 2010, the Company entered into a letter agreement with Benton Resources Corp. ("Benton") to assume all the remaining rights and obligations of the option agreement dated June 1, 2009 ("Underlying Agreement") between Benton and Golden Harp Resources Inc. ("Golden Harp") to earn up to a 70% interest in certain mineral claims located in the Larder Lake Mining District of Ontario.

During the year ended March 31, 2012, the Company completed the option terms and earned a 70% interest in the Shining Tree Project. Pursuant to the Underlying Agreement, the Company and Golden Harp will jointly fund and manage the property in accordance with their participating interests held. However, the Company is required to expend an additional $2,544,500 in exploration expenditures before Golden Harp commences its funding to the joint venture. If a party elects not to contribute or to contribute a lesser amount, then its interest in the claims will be diluted. In the event that either party's participating interest is reduced to 10%, its interest shall be converted to a 1% NSR over those claims comprising the property that are not already subject to an NSR. The Company's 70% interest in the property is subject to a 1% NSR, payable to Benton.

At March 31, 2013, the Company wrote down the Shining Tree Project to its estimated recoverable value of $350,000.

11. TRADE AND OTHER PAYABLES

	June 30, 2014	March 31, 2014
Trade payables	$ 166,932	$ 67,391
Accrued expenses	37,800	41,048
	$ 204,732	$ 108,439

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and accrued expenses for operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

12. LOANS PAYABLE

During the three months ended June 30, 2014, the Company received loans totalling $125,000 from a non-related company. These loans bear interest at 8% per annum and are payable on demand. As at June 30, 2014, the Company has accrued $1,211 of interests on the loans.

13. RELATED PARTY TRANSACTIONS

Amounts due to related parties were for services rendered to the Company by the directors and officers or companies controlled by its directors and officers and are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended March 31, 2014, the Company received loans totalling $48,000 from two directors of the Company. During the three months ended June 30, 2014, the Company received additional loans totalling $45,000 from a director and his company. These loans are unsecured, bear interest at 8% per annum and are payable on demand. As at June 30, 2014, the Company has accrued $1,869 of interests on the loans.

Key management includes directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the three month periods ended June 30 is as follows:

	2014	2013
Consulting fees	$ 88,280	$ 96,470
Geological consulting fees	11,970	17,270
Share-based payments	-	-
Total	$ 100,250	$ 113,740

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the three month period ended June 30, 2014:

a) Incurred consulting fees of $64,500 (2013 - $71,500) to three companies controlled separately by three directors of the Company.

b) Incurred consulting fees of $22,800 (2013 - $22,800) to a director of the Company.

c) Incurred consulting fees of $980 (2013 - $2,170) and geological consulting fees of $11,970 (2013 - $13,370) to a company controlled by a director of the Company.

d) Incurred geological consulting fees of $ nil (2013 - $3,900) to an officer of the Company.

The Company has entered into four consulting agreements with a director and three companies controlled separately by three directors of the Company for management and corporate consulting services for a total monthly fee of $29,100 plus applicable taxes. These agreements are on a month to month basis and may be terminated with a six month notice or a termination payment equal to six months' remuneration.

14. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At June 30, 2014, the Company had 143,411,198 common shares outstanding (March 31, 2014 - 143,411,198).

Share issuance

There were no shares issued during the three months ended June 30, 2014.

During the year ended March 31, 2014, the Company:

a) Issued 2,500,000 common shares with a fair value of $225,000 pursuant to the Holy Terror property option agreement.

b) Issued 30,000 common shares with a fair value of $2,100 pursuant to the Kootenay Arc Butte-Bonanza property option agreement.

c) Issued 28,600,000 common shares with a fair value of $1,573,000 to GRIT in exchange for 1,121,128 common shares of GRIT (Note 8). In connection with the transaction, the Company has agreed to pay finder's fees of up to a maximum of 1,894,284 common shares of the Company (the "Finders' Shares"). The Finders' Shares are issuable upon the Company receiving cash proceeds from the sale of the GRIT shares. The number of Finders' Shares will decrease if the proceeds are lower than $2,002,000 based on an agreed formula. The Company estimated that 1,587,857 Finders' Shares will be issuable based on the recorded value of the GRIT shares, recognizing a share issuance cost of $87,332 which has been included in the share-based payment reserve. The Company also incurred filing fees of $10,673 in connection with the transaction.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three month period ended June 30, 2014 was based on the loss attributable to common shareholders of $637,939 (2013 - $354,378) and a weighted average number of common shares outstanding of 143,411,198 (2013 - 113,132,846).

At June 30, 2014, 5,375,000 stock options (2013 - 6,705,000), 24,339,671 warrants (2013 - 36,532,321), and 1,310,600 agent's warrants (2013 - 2,013,260) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

15. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the Exchange's policies.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2013	7,030,000	$ 0.40
Cancelled/expired	(1,655,000)	0.36
Balance, March 31 and June 30, 2014	5,375,000	$ 0.42
Exercisable at March 31 and June 30, 2014	5,375,000	$ 0.42
Weighted average fair value of options granted during the period	$ -	(2013 - $nil)

The options outstanding at June 30, 2014 have an exercise price in the range of $0.25 to $0.70 (March 31, 2014 - $0.25 to $0.70) and a weighted average remaining contractual life of 2.49 years (March 31, 2014 - 2.72 years).

As at June 30, 2014 the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
250,000	$ 0.25	June 30, 2015
1,225,000	0.70	January 7, 2016
200,000	0.70	February 23, 2016
525,000	0.50	June 7, 2016
2,875,000	0.28	September 6, 2017
300,000	0.35	October 4, 2017
5,375,000		

15. SHARE-BASED PAYMENTS (Cont'd…)

Warrants

Warrants are issued as private placement incentives. No value was allocated to the warrants issued with private placement units. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2013	38,545,581	$	0.38
Warrants expired	(3,505,000)		0.63
Agents' warrants expired	(702,660)		0.59
Balance, March 31, 2014	34,337,921	$	0.41
Warrants expired	(8,687,650)		0.35
Balance, June 30, 2014	25,650,271	$	0.43
Exercisable at June 30, 2014	25,650,271	$	0.43

The warrants outstanding at June 30, 2014 have an exercise price in the range of $0.35 to $0.45 (March 31, 2014 - $0.35 to $0.45) and a weighted average remaining contractual life of 0.49 years (March 31, 2014 - 0.61 years).

As at June 30, 2014 the following warrants were outstanding:

	Number of Warrants	Exercise Price	Expiry Date
Warrants			
	1,516,575	$ 0.35	July 6, 2014
	7,257,796	0.45	November 19, 2014
	2,068,000	0.45	November 20, 2014
	9,497,300	0.45	November 21, 2014
	2,000,000	0.35	August 27, 2015
	2,000,000	0.40	August 27, 2015
	24,339,671		
Agents' warrants			
	489,336	$ 0.45	November 19, 2014
	68,000	0.45	November 20, 2014
	753,264	0.45	November 21, 2014
	1,310,600		
	25,650,271		

16. SUPPLEMENTAL CASH FLOW INFORMATION

	2014	2013
Cash paid for income taxes during the period	$ -	$ -
Cash paid for interest during the period	$ -	$ -

Significant non-cash investing and financing transactions during the three month period ended June 30, 2014 included:

(a) The Company allocated depreciation of property and equipment of $343 to exploration and evaluation assets.

(b) Included in trade and other payables are $94,908 related to exploration and evaluation assets.

Significant non-cash investing and financing transactions during the three month period ended June 30, 2013 included:

(a) The Company issued 2,500,000 common shares with a fair value of $225,000 pursuant to the Holy Terror property option agreement.

(b) The Company allocated depreciation of property and equipment of $1,178 to exploration and evaluation assets.

(c) Included in trade and other payables are $26,146 related to exploration and evaluation assets.

17. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There was no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

18. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and cash equivalents, deposits, receivables and restricted cash classified as loans and receivables and measured at amortized cost; marketable securities as either fair value through profit or loss (GRIT shares) or available-for-sale and measured at fair value; trade and other payables, amounts due to related parties and loans from related parties as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, marketable securities and receivables. The credit risk with respect to its cash and marketable securities is minimal as they are held with high-credit quality financial institutions. The Company's receivables mainly consist of goods and services tax due from Canadian governments. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at June 30, 2014, the Company had a cash balance of $22,323 and current liabilities of $606,758. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand. Management intends to complete a private placement financing up to $3,000,000 (Note 21) to settle its liabilities and fund operations.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash are not considered significant due to their short-term nature and maturity. Loans from related parties and loans payable bear a fix interest rate at 8% per annum and thus are not subject to interest rate risk.

Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

19. FAIR VALUE MEASUREMENTS

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. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and liabilities measured at fair value on a recurring basis on the statement of financial position are summarized in levels of fair value hierarchy as follows. During the three month period ended June 30, 2014, $1,177,193 of investment in GRIT shares were transferred from Level 3 to Level 1 as a result of GRIT shares becoming publicly traded on the London Stock Exchange since May, 2014.

	Level 1	Level 2	Level 3	Total
June 30, 2014				
Available-for-sale financial assets				
Marketable securities	$ 11,250	$ -	$ -	$ 11,250
Fair value through profit or loss				
Investment in GRIT shares	1,177,193	-	-	1,177,193
March 31, 2014				
Available-for-sale financial assets				
Marketable securities	$ 5,000	$ -	$ -	$ 5,000
Fair value through profit or loss				
Investment in GRIT shares	-	-	1,573,000	1,573,000

The following valuation techniques and inputs were used to estimate the fair values:

i) Marketable securities

The fair value of marketable securities is determined based on the closing price of each security at the end of each reporting period. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore marketable securities are classified within Level 1 of the fair value hierarchy.

ii) Investment in GRIT shares

The fair value of GRIT shares was initially recognized based on the fair value of the shares of the Company that were issued to GRIT as consideration. The number of shares issued by the Company to GRIT was agreed to on an arms-length basis, consistent with other companies that make up GRIT's portfolio of investments. Since May 2014, GRIT shares were trading on the London Stock Exchange. The closing price of the GRIT shares is a quoted market price obtained from an active exchange and thus classified within Level 1 of the fair value hierarchy.

20. COMMITMENTS

i) On April 18, 2011, the Company entered into an office lease agreement for its office premises commencing July 1, 2011 and ending June 30, 2014. On April 16, 2014, the Company extended the existing lease for two additional years to June 30, 2016. The minimum lease commitments under the lease for the next three fiscal years are as follows:

2015	$	40,969
2016	$	54,625
2017	$	13,656
	$	109,250

ii) The Company signed employment agreements with two employees whereby the Company will pay the employees a lump sum amount equal to six months of salary for a total of $73,800 in the event of termination of employment as a result of a change of the company's existing management team.

21. EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2014, the Company

i) Paid US$250,000 and Issued 2,500,000 common shares with a fair value of $150,000 pursuant to the Holy Terror property option agreement.

ii) Entered into an agreement with M Partners Inc. (the "Agent") to complete a private placement up to 60,000,000 units at a price of $0.05 per unit for gross proceeds of $3,000,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share at a price of $0.09 for a two year period.

In connection with the private placement, the Company agreed to pay the Agent, on the date of closing, a cash commission of 7% of the aggregate gross proceeds and issue to the Agent compensation options to acquire a number of units equal to 7% of the number of units issued pursuant to the private placement at a price of $0.05 per unit for a two year period.

iii) On July 9, 2014, the Company sold its Gowganda school building and property to a mining company. The building was used as a core splitting, logging and storage facility for the Shining Tree Project.