

## **NORTH SPRINGS RESOURCES CORP.**

(formerly Aurum Resources Corp.)

(An Exploration Stage Company)

Notes to the Financial Statements

(unaudited)

### **1.Nature of Operations and Continuance of Business**

North Springs Resources Corp. ("the Company") was incorporated under the laws of the State of Nevada, on May 22, 2009. The Company has been in an exploration stage since its formation and has not realized any revenues from operations. The Company intends to commence operations in oil and gas exploration and production industry internationally. The Company has not generated any revenue to date and consequently its operations are subject to all risks inherent in the establishment of a new business enterprise.

#### **Going Concern**

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated significant revenues since inception and is unlikely to generate significant revenue or earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. The company has generated zero revenue and has accumulated losses since the inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### **2.Summary of Significant Accounting Policies**

#### **a) Basis of Presentation**

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. The Company's fiscal year end is April 30.

#### **b) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the useful life and

valuation of long-lived assets and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

d) Equipment

Equipment is comprised of computer equipment and is recorded at cost. The Company amortizes the cost of the equipment on a straight-line basis over their estimated useful lives of three years.

e) Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives at each balance sheet date. The Company records an impairment or change in useful life whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed.

### **3.011 and Gas Property**

The Company entered into a Joint Venture Contract and Operating Agreement dated April 30, 2010, with Patriot Financial Group, and acquired an working interest in the Washom II Lease Project, a three (3) well drilling project located on a 80 acres +7- lease in Rogers County, Oklahoma. The project is a drilling project with plans to produce the Bartlesville oil formation. On May 3, 2010, the Company made a payment of \$10,000 to complete the purchase of our interest and received 1% of the working interest revenue generated by the project.

The Company agreed to pay its pro-rata share (based on 1% ownership) of the expense of the operation and maintenance of the wells in addition to the same pro-rata share of any work-over operation required for the wells, such as service or replacement parts as needed. A fee totaling Two Hundred (\$200) per well, per month for basic operation and maintenance shall be levied among the Working Interest owners. The Company will be offered, on a first right of refusal basis, the opportunity to participate in any future wells drilled on said lease.

#### **4.Mineral Property**

##### North Springs Property

On August 2, 2011, the Company entered into the North Springs Property Exploration and Mining Lease and Option to Purchase Agreement (the "Agreement") with Mountain Gold Claims, LLC Series 15, a Nevada limited liability company ("Mountain Gold") and Lane A. Griffin ("Griffin") (collectively referred to as the "Owners"). Pursuant to the Agreement, the Owners leased to the Company (the "Lease") the right to conduct mineral exploration activities for an initial period of ten years on sixteen unpatented mining claims (the "North Springs Property") located in Esmeralda County, Nevada. The effective date of the Agreement was July 23, 2011 (the "Effective Date"). Additionally, the Company has the option to purchase the Property for \$400,000, subject to a royalty reserved to the Owners.

##### Gold Star and One Arm Joe Properties

On December 29, 2011, the Company entered into a Joint Venture Agreement with DNP Mining LLLP, an Arizona limited liability partnership, whereby the Company shall form a joint venture with SNP in order to conduct mineral exploration activities on or about various unpatented mining claims situated in the Yavapai County, Arizona, collectively known as the Gold Star and One Arm Joe Properties.

##### Imperial Property

On January 6, 2012, the Company entered into a Mineral Lease and Agreement with MinQuest, Inc., a Nevada corporation, whereby the Company will have exclusive lease rights to prospect, explore and mine various unpatented mining claims situated in Esmeralda County, Nevada, collectively known as the Imperial Property, for a term of 20 years with the right to renew unless sooner terminated, forfeited or surrendered.

##### Edum Bansa Property

On January 25, 2012, the Company entered into an Earn-In Agreement with Discovery Gold Ghana Limited (DGG), a company organized under the laws of Ghana. Pursuant to the agreement the Company will earn a working interest in the property located in the Edum Bansa Region of Ghana.

## **5. Notes Payable**

On October 1, 2014 the Company entered into a Consulting agreement with a non-related Party to assist with acquisitions and mergers for \$50,000.

## **6. Convertible Debenture**

On December 21, 2011 the Company issued a convertible drawdown note payable which provided the Company up to \$1,000,000 in available financing for a term of one year to a non-related party. Currently the amount is 436,900.

## **7. Related Party Transactions**

As of the Current Period, the Company owed \$16,070 to the former President and Director of the Company for financing of day-to-day expenditures incurred on behalf of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.

As of the Current Period, the Company owed \$6,985 (April 30, 2011 - \$nil) to the President and Director of the Company for unpaid salaries and payment of day-to-day expenditures on behalf of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.

