AVIDIAN GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

(Expressed in US Dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avidian Gold Inc.:

We have audited the accompanying consolidated financial statements of Avidian Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity 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 we have obtained 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 Avidian Gold Inc. and its subsidiaries as at June 30, 2014 and 2013, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
October 21, 2014

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US dollars)

	June 30, 2014	June 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	$ 186,833	$ 650,077
Amounts receivable and prepaids	21,499	6,592
Total current assets	208,332	656,669
Non-current assets		
Equipment (Note 6)	2,469	3,086
Reclamation bond receivable (Note 12)	24,090	24,090
Mineral exploration interests (Note 5)	497,813	497,813
TOTAL ASSETS	$ 732,704	$ 1,181,658
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 10)	$ 33,577	$ 96,766
Subscription receipts payable (Note 16)	74,960	-
Warrant liability (Note 7)	-	44,351
Contingent consideration payable (Note 5)	-	21,639
Total current liabilities	108,537	162,756
Non-current liabilities		
Decommissioning liability (Note 14)	24,783	-
Total liabilities	133,320	162,756
EQUITY		
Issued capital (Note 8(b))	2,126,069	2,090,608
Warrants (Note 8(c))	-	21,251
Deficit	(1,526,685)	(1,092,957)
Total equity	599,384	1,018,902
TOTAL LIABILITIES AND EQUITY	$ 732,704	$ 1,181,658

NATURE OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5, 12, and 15)
SUBSEQUENT EVENT (Note 16)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed, "Victor H. Bradley" , Director

Signed, "David Anderson" , Director

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEAR ENDED JUNE 30

(Expressed in US dollars)

	2014	2013
OPERATING EXPENSES		
Exploration and evaluation expenditures (Note 12)	$ 299,351	$ 387,553
General and administrative (Note 11)	202,430	142,804
Other (gains) or losses	(5,595)	19,135
Decommissioning expense (Note 14)	24,783	-
Interest income	-	(338)
(Gain) on contingent consideration payable	(21,639)	
(Gain) on warrant valuation (Note 7)	(44,351)	(48,758)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	$ 454,979	$ 500,396
NET LOSS PER SHARE - basic and diluted (Note 9)	$ 0.02	$ 0.03
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING basic and diluted (Note 9)	30,851,725	18,871,688

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30

(Expressed in US dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (454,979)	$ (500,396)
Add:		
Amortization (Note 6)	617	772
Share-based payments (Notes 8(b)(ii) and (iv), and Note 12)	37,101	5,785
Gain on revaluation of warrants	(44,351)	(48,758)
Decommissioning expense	24,783	-
Gain on contingent consideration payable	(21,639)	-
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	(14,907)	(17,701)
Trade payables and accrued liabilities	(63,189)	66,760
Cash flows (used in) operating activities	(536,564)	(493,538)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired on business combination (Note 5)	-	624,647
Cash flows provided by investing activities	-	624,647
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital (Note 8(b))	-	118,545
Receipts on share subscription	74,960	-
Share issue costs (Note 8(b))	(1,640)	(227)
Cash flows provided by financing activities	73,320	118,318
CHANGE IN CASH AND CASH EQUIVALENTS	(463,244)	249,427
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	650,077	400,650
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 186,833	$ 650,077
SUPPLEMENTAL INFORMATION		
Common shares issued for business combination (Note 5)	$ -	$ 1,103,277
Contingent consideration issued for business combination (Note 5)	$ -	$ 21,639

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in US dollars)

	Issued Capital	Warrants	Deficit	Shareholders' Equity
Balance, June 30, 2012	822,758	21,251	(592,561)	251,448
Exercise of warrants (Note 8(b)(i))	118,545	-	-	118,545
Exercise of warrants, Black-scholes value (Note 8(b)(i))	40,468	-	-	40,468
Issuance of shares for settlement of debt, (Note 8(b)(ii))	5,785	-	-	5,785
Issuance of shares for purchase of HTR (Note 8(b)(iii))	1,103,277	-	-	1,103,277
Share issue costs	(225)	-	-	(225)
Net loss and comprehensive loss for the year	-	-	(500,396)	(500,396)
Balance, June 30, 2013	2,090,608	21,251	(1,092,957)	1,018,902
Issuance of shares for settlement of debt, (Note 8(b)(iv))	37,101	-	-	37,101
Share issue costs	(1,640)	-	-	(1,640)
Expiration of brokers' warrants	-	(21,251)	21,251	-
Net loss and comprehensive loss for the year	-	-	(454,979)	(454,979)
Balance, June 30, 2014	$ 2,126,069	$ -	$ (1,526,685)	$ 599,384

1. Nature of business and going concern

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 ("date of incorporation") under the Business Corporations Act (Ontario). Avidian is a private company. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2014, the Corporation has acquired the rights to explore six gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a gold property in Newfoundland, Canada.

The consolidated financial statements of the Corporation for the year ended June 30, 2014 were reviewed, approved and authorized for issue by the Board of Directors on October 21, 2014. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non -compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the year ended June 30, 2014 of $454,979 and has an accumulated deficit of $1,526,685. The Corporation has a working capital balance of $75,012 at June 30, 2014 and closed a private placement financing subsequent to June 30, 2014 (see Note 16). The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Corporation's reporting for the year ended June 30, 2014.

Basis of presentation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities or recoverable amounts. The policies set out below have been consistently applied to all periods presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Avidian Gold Inc. ("Avidian")	Ontario, Canada	Parent Company
Avidian Gold US Inc.[(1)(2)] ("Avidian US")	Nevada, USA	Operating Company
High Tide Resources Inc. ("HTR").[(1)(3)]	Nova Scotia, Canada	Dormant Company

(1) 100% owned by Avidian Gold Inc.
(2) Incorporated as at June 23, 2011
(3) Incorporated as at March 27, 2007

Presentation currency

These consolidated financial statements are presented in the functional currency of United States dollars ("US"), the currency of the primary economic environment in which the Corporation is currently operating.

Cash and cash equivalents

Cash in the consolidated statement of financial position comprises cash at banks, as well as balances held in trust with legal counsel. Cash equivalents consist of balances held with a chartered bank. The Corporation's policy is to hold cash equivalents in a Canadian Chartered bank, with little or no risk.

Financial instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2014 and June 30, 2013, the Corporation's financial assets are comprised of cash and cash equivalents and reclamation bond receivable.

Financial assets at fair value through profit and loss include cash equivalents, and are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, subscription receipt payable, warrant liability and contingent consideration payable. Trade payables, accrued liabilities and subscription receipts payable are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's warrant liability and contingent consideration payable are classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of mineral exploration interests through a business combination.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is calculated using the declining balance method at 20% per year.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Amortization is recognized based on the cost of an item of equipment, over its estimated useful life.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial position reporting date.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

2. Significant accounting policies (continued)

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Corporation assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statements of loss and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has recorded a provision for $24,783 of restoration, rehabilitation and environmental costs as at June 30, 2014.

2. Significant accounting policies (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in "other comprehensive income", in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments and warrant liability

Management determines costs for share-based payments and warrant liability using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrant liability are determined at the date of grant using generally accepted valuation techniques. Warrant liabilities are subsequently revalued every reporting period. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share capital note.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2. Significant accounting policies (continued)

Segment reporting

The Corporation operates in a single reportable operating segment, the acquisition, exploration and development of gold projects.

Issued capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Warrant liability

Under IFRS, when the currency of the exercise price of warrants is different than the functional currency of the legal entity in which they were issued, the warrants are accounted for as a derivative warrant liability. For the Corporation's warrants that have an exercise price denominated in Canadian dollars, the issued Canadian dollar warrants are accounted for as a derivative warrant liability which is measured at fair value each reporting period using the Black-Scholes valuation model. Gains and losses from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss.

The Corporation also has warrants issued as compensation warrants that were issued to underwriters as a cost of the equity offering as disclosed in the share capital note. These broker warrants are not recorded as a derivative liability and are accounted for under IFRS 2 Share-based Payment.

Critical accounting judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments and warrant liability

Management is required to make certain estimates when determining the fair value of the warrant liability and share-based payments. These estimates affect the amount recognized as warrant liability and share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options and warrants.

2. Significant accounting policies (continued)

Critical accounting judgements and estimation uncertainties (continued)

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration and evaluation assets.

Valuation of contingent consideration payable

Contingent consideration payable is comprised of the participation right described in Note 5, and is measured at fair value based on Level 3 inputs. Contingent consideration is not based on observable inputs and is measured using generally accepted valuation techniques and consideration of possibility of the outcome of the contingent consideration. At June 30, 2013 management has estimated the probability of the participation right being exercised by the former shareholders of HTR based on expectations at the time of grant. The value of contingent consideration is based on a 50% probability that the participation right would be exercised. An increase of 10% applied to the probability assumptions, with all other variables held constant, would increase the contingent consideration payable by $4,300. Conversely a decrease of 10% applied to the probability assumptions, with all other variables held constant, would decrease the contingent consideration payable by $4,300.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Corporation considers whether relevant tax planning opportunities are within the Corporation's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Corporation from realizing the tax benefits from the deferred tax assets. The Corporation reassesses unrecognized income tax assets at each reporting period.

Contingencies

See Note 15.

2. Significant accounting policies (continued)

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2014 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 - Business Combinations ("IFRS 3") was amended to clarify the accounting for contingent consideration in a business combination. An obligation to pay contingent consideration that meets the definition of a financial instrument is classified as a financial liability or as equity on the basis of the definitions in IAS 32. At each reporting period, an entity measures contingent consideration that is classified as a financial instrument at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

2. Significant accounting policies (continued)

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

IAS 38, Intangible Assets and IAS 16, Property, Plant and Equipment were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016.

IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.

Changes in accounting policies

The Corporation has adopted the following new standards, along with any consequential amendments, effective July 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 7 — Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of this standard did not result in any changes to the Corporation's disclosure of its financial instruments.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") was issued by the IASB in May 2011 and will replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent Corporation. Control is comprised of three elements: power over an investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect returns. The adoption of this standard did not result in any changes in the consolidation status of the Corporation's subsidiaries.

2. Significant accounting policies (continued)

IFRS 11 – Joint Arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. Joint ventures are accounted for using the equity method. The adoption of this standard did not result in any changes to the Corporation's financial statements.

IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles and off balance sheet vehicles. The adoption of this standard did not result in any changes to the Corporation's disclosure requirements for interests in other entities.

IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that 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 under current market conditions. It also establishes disclosures about fair value measurement. The adoption of this standard did not result in any significant changes to the Corporation's disclosures of its financial instruments.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended by the IASB in June 2011. As a result of the amendment, items in other comprehensive income are required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of this standard has not resulted in any disclosure requirements as the Corporation's net loss is equal to the Corporation's comprehensive loss.

3. Capital management

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises share capital, and accumulated deficit, which at June 30, 2014, totaled $599,384.

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

3. Capital management (continued)

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;

b. minimizing discretionary disbursements; and

c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the period from incorporation June 22, 2011 to June 30, 2014. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

4. Financial risk factors

The Corporation’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk).

Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

Included in amounts receivable is reclamation bond receivable, sales tax receivable from government authorities in Canada and interest accruals on the Corporation's cash equivalents. Amounts receivable are in good standing as of June 30, 2014 and June 30, 2013. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. As at June 30, 2014, the Corporation had a cash and cash equivalents balance of $186,833 to settle current liabilities of $133,320. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Corporation's financial liabilities as at June 30, 2014 have contractual maturities of less than 30 days and are subject to normal trade terms.

4. Financial risk factors (continued)

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at June 30, 2014, the Corporation holds in cash and cash equivalents the following amounts (reported in US$ currency) in CDN and US funds respectively: $87,112 and $99,721. (June 30, 2013 - $607,998 and $42,079)

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Sensitivity analysis

As of June 30, 2014 and June 30, 2013, both the carrying and fair value amounts of the Corporation's financial instruments are approximately equivalent due to their short-term nature.

The sensitivity analysis shown in the notes below may differ materially from actual results.

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" for the period ended June 30, 2014:

(i) As at June 30, 2014, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the period ended June 30, 2014 would not have changed by a material amount as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.

(ii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation’s future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of June 30, 2014, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

4. Financial risk factors (continued)

Fair value hierarchy and liquidity risk disclosure

Levels

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2014, the Corporation did not hold any financial assets in the fair value hierarchy.

The following table illustrates the classification of the Corporation's financial instruments within the fair value hierarchy as at June 30, 2013

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 533,429	$ -	$ -	$ 533,429

5. Mineral exploration interests

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 11,228,137 common shares valued at $1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc.

HTR holds a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR") The Corporation may purchase 1% of the NSR for $1,000,000 and another 0.5% for an additional CDN$1,000,000.

5. Mineral exploration interests (continued)

The transaction has been accounted for as a business combination in accordance with IFRS 3 Business Combinations, with the Corporation being the acquirer. As a result of this transaction, the Corporation now holds a 100% interest in HTR.

The transaction did not result in any goodwill. The total transaction costs expensed during the year ended June 30, 2013 relating to the acquisition amounted to $31,409 in legal fees.

The allocation of the purchase price has been determined using the fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition. The allocation of the price is as follows:

Acquired assets		
Cash	$	624,647
Amounts receivable, prepaids and other		2,456
Mineral exploration interests		497,813
	$	1,124,916
Consideration		
11,228,137 Avidian shares	$	1,103,277
Contingent consideration payable		21,639
	$	1,124,916

Participation right

The share exchange agreement includes a provision recognizing the possibility of additional share issuances by the Corporation to former shareholders of HTR ("Participation Right") based on the number of Avidian warrants outstanding on the date of the agreement that are exercised by May 23, 2014. Avidian is required to provide notice on the earlier of May 30, 2014 and ten days after all Avidian warrants have been exercised, of the number of warrants exercised. The former shareholders of HTR have the right, but not the obligation, to purchase one additional Avidian common share for CDN $0.10 for every two Avidian warrants exercised, for a period of 30 days from the date that notice is received from the Corporation. The estimate of fair value is based on management's best estimate of the timing and probability of having to issue additional shares. As the purchase price of additional Avidian common shares is denominated in a currency that is not the functional currency of the Corporation, the contingent consideration is classified as a liability. The amount for the contingent consideration payable is revalued at fair value at each reporting date and any difference is recorded in the consolidated statements of loss and comprehensive loss. Upon completion of the share exchange agreement, the contingent consideration payable was valued at $21,639 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 1.16%; expected life – 1.04 years; expected volatility – 100%; expected dividends – $nil with an exercise price of CDN $0.10. As of May 23, 2014 none of the warrants were exercised and the fair value of the contingent consideration payable was revalued to $nil.

6. Equipment

Cost		Equipment
Balance, June 30, 2012	$	4,287
Additions		-
Balance, June 30, 2013		4,287
Additions		-
Balance, June 30, 2014	$	4,287

Amortization and impairment		Equipment
Balance, June 30, 2012	$	429
Amortization		772
Balance, June 30, 2013		1,201
Amortization		617
Balance, June 30, 2014	$	1,818

Carrying amounts		Equipment
Balance, June 30, 2013	$	3,086
Balance, June 30, 2014	$	2,469

7. Warrant liability

In connection to a private placement in November 2011, 2,750,000 warrants were issued that were exercisable in Canadian dollars. The fair value of these warrants was recorded as a warrant liability at the date of issuance. These warrants were revalued at each financial position reporting date with the corresponding change recorded as gain (loss) on warrant revaluation on the consolidated statement of loss and comprehensive loss. As the warrants expired unexercised in the year ended June 30, 2014 a gain of $44,351 was recognized during the year ended June 30, 2014 (June 30, 2013 – gain of $48,758). The fair value of these warrants was estimated using the Black-Scholes option pricing model based on the following assumptions:

	June 30, 2014	June 30, 2013
Canadian/US exchange rate	-	0.95000
Market price of shares	-	$0.10
Average dividend per share	-	NIL
Estimated volatility	-	100%
Risk-free interest rate	-	1.25%
Expected life of the warrants	-	0.42 years

8. Share capital

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

30,975,788 common shares

	Number of Shares		Amount
Balance, June 30, 2012	18,100,000		822,758
Exercise of warrants - cash (i)	1,200,000		118,545
Exercise of warrants - Black-Scholes Value (i)	-		40,468
Share issue costs - cash	-		(225)
Shares issued for services (ii)	58,700		5,785
Business combination (Note 5) (iii)	11,228,137		1,103,277
Balance, June 30, 2013	30,586,837	$	2,090,608
Share issue costs – cash	-		(1,640)
Shares issued for services (iv)	388,951		37,101
Balance, June 30, 2014	30,975,788	$	2,126,069

(i) During the year ended June 30, 2013, 1,200,000 warrants were exercised by an officer, a former officer and the spouse of an officer of the Corporation for cash consideration of $118,545 comprised of CDN$100,000 (US$98,545) and US$20,000. The Black-Scholes value of $40,468 was added to share capital.

(ii) During the year ended June 30, 2013, the Corporation issued 58,700 shares valued at CDN$0.10 (US$0.098) each based on the price of the most recent private placement, for a total value of CDN$5,870 (US$5,785) in consideration for financial and corporate secretarial consulting fees incurred by two officers of the Corporation.

(iii) On June 18, 2013, the Corporation entered into a business combination whereby 11,228,137 shares valued at CDN$1,122,814 (US$1,103,277) based on the price of the most recent private placement, were issued to shareholders of HTR in exchange for all shares of HTR. Following this exchange, HTR is now a wholly-owned subsidiary of Avidian Gold Inc. See Note 5.

(iv) During the year ended June 30, 2014, the Corporation issued 388,951 shares valued at CDN$0.10 (US$0.095) each based on the price of the most recent private placement, for a total value of CDN$38,895 (US$37,101) in consideration for financial, corporate secretarial consulting, and geological fees. A total of 273,888 shares were issued to a former director and officer of the Corporation as settlement of debt for services rendered.

(c) Warrants and broker warrants

	Number of Warrants		Weighted Average Exercise Price (CDN)
Balance, June 30, 2012	3,437,000	$	0.10
Exercised	(1,200,000)		-
Balance, June 30, 2013	2,237,000	$	0.10
Expired	(2,237,000)		-
Balance, June 30, 2014	-	$	-

9. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2014 was based on the loss attributable to common shareholders of $454,979 and the weighted average number of common shares outstanding of 30,851,725 (June 30, 2013 - $500,396 and 18,871,688).

Diluted loss per share did not include the effect of purchase warrants and broker warrants disclosed in Note 8(c) as they are anti-dilutive for the years ended June 30, 2014 and 2013.

10. Related party transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

(a) See Notes 8(b)(i),(ii) and (iv)

(b) During the year ended June 30, 2014, the Corporation incurred $37,703 (June 30, 2013 - $39,677) for legal services in connection with general matters and the business combination discussed in Note 5 from a former director of the Corporation. As at June 30, 2014, $2,687 is included in accounts payable and accrued liabilities (June 30, 2013 - $33,898).

(c) During the year ended June 30, 2014, the Corporation incurred $16,616 (June 30, 2013 - $34,835) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2014, $NIL is included in accounts payable and accrued liabilities (June 30, 2013 - $16,120).

(d) During the year ended June 30, 2014, the Corporation incurred $4,433 (June 30, 2013 - $40,902) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2014, $3,300 is included in accounts payable and accrued liabilities (June 30, 2013 - $22,097).

(e) During the year ended June 30, 2014, the Corporation entered into a short term loan arrangement with a company owned by an officer of the Corporation. The amount of the loan was $6,000 and carried a rate of interest of 2% per month if the funds were not repaid within 30 days. The funds were fully repaid and no interest was incurred prior to year end.

11. General and administrative

	June 30, 2014	June 30, 2013
Professional fees and transfer agent	$ 152,359	$ 95,816
Office supplies, bank charges and telephone	16,793	7,801
Amortization (Note 6)	617	772
Travel and promotion	16,173	11,424
Occupancy costs	16,488	26,991
	$ 202,430	$ 142,804

12. Exploration and evaluation expenditures

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of $400,000, subject to an NSR of 2%.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- (i) August 15, 2011: $20,000 (paid)
- (ii) First anniversary of initial payment: $20,000 (paid)
- (iii) Second anniversary of initial payment: $30,000 (paid)
- (iv) Third anniversary of initial payment: $40,000 (paid subsequent to June 30, 2014)
- (v) Each subsequent anniversary: $40,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor fifteen days before the deadline.

The claims are subject to a work commitment (subject to an extension of time from the effective date to the Resolution Date*) of $50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and $150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled subsequent to June 30, 2014).

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of $200,000, subject to a 2% NSR.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- (i) On execution of the agreement: $10,000 (paid)
- (ii) First anniversary of initial payment: $10,000 (paid)
- (iii) Second anniversary of initial payment: $15,000
- (iv) Third anniversary of initial payment: $20,000
- (v) Each subsequent anniversary: $20,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor not less than fifteen days before the statutory compliance deadline.

Resolution Date is defined as twenty business days after PPM notifies the Corporation of the date of the resolution of the Hendrix Conflict. The Hendrix Conflict is defined as the conflict pertaining to unpatented mining claims and the assertion of Verl Ray Hendrix and Desatoya Goldstrike, LLC, that title to these claims is superior to that of PPM. As of the date of these consolidated financial statements, the litigation is currently on hold.

12. Exploration and evaluation expenditures (continued)

The Corporation entered into an agreement with PPM and Desatoya (the "Paradise Peak Agreement") even though PPM and Desatoya are parties to a lawsuit filed in the Second Judicial District Court, Reno, Nevada, in which each of the parties asserts that certain of its unpatented mining claims is superior in title relative to the title of certain of the unpatented mining claims owned by the other party. The Paradise Peak Agreement authorizes the Corporation to proceed with its activities under the PPM Lease and under the Desatoya Lease, notwithstanding the dispute between PPM and Desatoya. The Paradise Peak Agreement also provides that on resolution of the dispute between PPM and Desatoya, the Corporation will not be obligated to pay mineral production royalties to both parties for mineral production from the disputed lands, but only to the party which is determined to have superior title to the disputed lands.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the “Altan Lease”) with Altan Rio (US) Inc., a Nevada corporation ("Altan"), for a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

The term of the Altan Lease is for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation can purchase the claims at any time during the term of the Altan Lease for the price of $500,000, subject to a 3% NSR. The Corporation has the option to purchase one-half of the royalty payable under the Altan Lease for the price of $1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation is required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments are:

- (i) On execution of the Altan Lease $10,000 (paid)
- (ii) First anniversary of initial payment $15,000 (paid)
- (iii) Second anniversary of initial payment $20,000
- (iv) Third anniversary of initial payment $25,000
- (v) Each subsequent anniversary $30,000

The Corporation has a work commitment obligation of $50,000 per year during each of the second through the fifth years of the Altan Lease, $100,000 per year during the sixth through tenth lease years, and $200,000 annually during each of the remaining lease years.

Under the Altan Lease, the Corporation must pay the federal annual mining claim maintenance fees ($145/claim) and State of Nevada mining claim fees ($12/claim) for the Rad Claims, record a notice of intent to hold the Altan Claims, and provide to the owner proof of the Corporation’s compliance not less than fifteen days before the statutory compliance deadline.

12. Exploration and evaluation expenditures (continued)

Dome Hill

On June 1, 2011, the Corporation entered into a lease agreement with Nevoro Nevada Inc. ("NNI") for claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims"). The term of the lease was for three years from the date of the agreement.

The Corporation could purchase the property before the third anniversary of the agreement for $25,000 less the amount of the minimum payments.

The Corporation was required to make minimum payments as follows, which would be credited against the purchase price.

(i) June 1, 2011, $5,000 (paid)
(ii) First anniversary of the agreement: $5,000 (paid)
(iii) Second anniversary of agreement: $15,000 (no longer required to be paid)

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to NNI thirty days before the deadline.

The Corporation is subject to annual assessment work which must be completed by September 1 of each year to the extent required by law.

The property was subject to a 2% NSR. The Corporation could purchase half of the NSR for $1,000,000. The option to purchase the NSR must be exercised within nine months following commencement of production.

Effective April 12, 2013, the Corporation and NNI entered into the First Amendment of Mining Lease and Option to Purchase Agreement Dome Hill Project in accordance with which the Corporation agreed to purchase all of the right, title and interest of NNI in the Nevoro Claims, including the royalty, for the sum of $7,000. The Corporation paid the purchase price and NNI executed and delivered quitclaim deeds to the Corporation which were recorded.

The Nevoro Lease has been terminated. The Corporation owns the Nevoro Claims outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevoro Claims.

On September 1, 2011, the Corporation entered into a mining lease and option to purchase agreement Sunshine Project (the “Sunshine Lease”) with Deborah A. Ostas for the Sunshine Group of unpatented mining claims located in Mono County, California (the "Sunshine Claims"). The term of the Sunshine Lease is for twenty years.

The Corporation is required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Sunshine Claims if the Corporation exercises its option to purchase the Sunshine Claims.

The minimum advance royalty payments are:

(i) On execution of the Sunshine Lease $3,000 (paid)
(ii) Each subsequent anniversary of the agreement $5,000 ($5,000 was paid on the first and second anniversary of the agreement)

The Corporation can purchase the Sunshine Claims at any time during the term of the Sunshine Lease for the price of $250,000 subject to a 2% NSR. The Corporation has the option to purchase one-half of the royalty payable under the Sunshine Lease for the price of $1,000,000 at any time within one year following the commencement of commercial production of minerals from the Sunshine Claims. On the closing of the royalty option, the royalty rate will be reduced to a 1.0% NSR.

Under the Sunshine Lease, the Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim maintenance fees, record a notice of intent to hold the Sunshine Claims, and provide to the owner proof of the Corporation’s compliance not less than fifteen days before the statutory compliance deadline.

12. Exploration and evaluation expenditures (continued)

On November 1, 2011, the Corporation entered into a mining lease and option to purchase agreement (the “Hermene Lease”) with Doyle Kenneth Brook, Jr., an officer and former director of the Corporation, and his spouse, Maria Brook, (collectively "Brook"), for the Hermene patented mining claim located in Mono County, California, Patent No. 285868, Mineral Survey No. 4763. The primary term of the Hermene Lease is for ten years with the right to extend the Hermene Lease for an additional ten years.

The Corporation is required to make minimum payments. The minimum payments are not credited against the purchase price for the Hermene Claim if the Corporation exercises its option to purchase the Hermene Claim. The minimum payments are:

(i) On execution of the Hermene Lease: $1,000 (paid)
(ii) Each subsequent anniversary of the agreement: $1,000 ($1,000 paid for the first and second anniversary payments)

The Corporation can purchase the Hermene Lease at any time during the term of the Hermene Lease for the price of $75,000.

Shawnee Creek (Formerly known as Jungo)

On August 29, 2011, the Corporation entered into a lease agreement with Dutch Gold Resources, Inc. ("DGRI"), a Nevada corporation, for claims located in Humboldt County of the State of Nevada, (the "Red Dog Claims"). The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

(i) Execution of agreement: $15,000 (paid)
(ii) First anniversary of agreement date: $15,000 (paid)
(iii) Second anniversary of agreement date: $20,000 (paid)
(iv) Each subsequent anniversary: $20,000 (paid subsequent to June 30, 2014)

The Corporation must also issue to DGRI 150,000 common shares. (Issued)

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the deadline.

Subsequently, on January 8, 2013, DGRI, DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of $20,000 beginning on August 25, 2015. The agreement dated January 8, 2013, expressly supersedes the mining lease agreement dated August 29, 2011.

William R. Hansen, the owner of the Royalty Red Dog Claims, executed and delivered to the Corporation the Quitclaim Deed With Reservation of Royalty Red Dog Claims dated January 4, 2013, which was recorded in the Office of the Humboldt County Recorder on January 8, 2013, Document 2013-82 in return for a purchase price of $10,000. The Red Dog Claims are subject to a 2% NSR. The Corporation has no minimum royalty payment obligation to William R. Hansen.

On June 26, 2014, the Corporation purchased a 100% interest in the Red Dog Claims 101-160 and as a result there is no longer a 2% NSR.

12. Exploration and evaluation expenditures (continued)

Northern Lights

On August 31, 2011, the Corporation entered into a lease agreement with Kircher Mine Development LLC ("KMD") for claims located in Mineral County of the State of Nevada. The term of the lease is for twenty years.

The Corporation can purchase the property for $250,000 any time during the term of the agreement and prior to commencing development or mining, subject to a 2.5% NSR. The Corporation can purchase 40% of the royalty representing a 1% NSR for $2,000,000. The option to purchase the NSR must be exercised within one year following commencement of production.

The Corporation is required to make minimum payments as follows, cumulatively credited against the Corporation's royalty payment obligations.

- (i) First anniversary of agreement date: $5,000 (paid)
- (ii) Second anniversary of agreement date: $10,000 (paid)
- (iii) Third anniversary of agreement date: $15,000 (paid subsequent to June 30, 2014)
- (iv) Every subsequent anniversary: $15,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to KMD thirty days before the deadline.

Gray Hills

On June 1, 2014, the Corporation entered into a lease agreement with McIntosh Exploration LLC, a private Nevada company, for claims located in Lyon County of the State of Nevada, (the "Albite Claims"). The term of the lease was for ten years unless terminated or extended.

The Corporation is required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: $10,000 (paid)
- (ii) First anniversary of agreement date: $10,000
- (iii) Second anniversary of agreement date: $15,000
- (iv) Third anniversary of agreement date: $20,000
- (v) Fourth anniversary of agreement date: $25,000
- (vi) Fifth anniversary of agreement date: $30,000
- (vii) Sixth anniversary of agreement date: $50,000
- (viii) Every subsequent anniversary: $50,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the deadline.

The Albite Claims can be purchased for $400,000 subject to a 2% Gross Proceeds Royalty. The Company is required to spend a minimum of $20,000 on exploration during the first year, and this work has been completed.

12. Exploration and evaluation expenditures (continued)

Tramp Springs

On June 1, 2014, the Corporation entered into a lease agreement with T.J. and A.L. Percival, for claims located in Nye County of the State of Nevada, (the "Tramp Claims"). The term of the lease is for 20 years unless terminated or extended.

The Corporation is required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: $5,000 (paid)
- (ii) First anniversary of agreement date: $7,500
- (iii) Second anniversary of agreement date: $10,000
- (iv) Third anniversary of agreement date: $20,000
- (v) Fourth anniversary of agreement date: $30,000
- (vi) Fifth anniversary of agreement date: $40,000
- (vii) Every subsequent anniversary: $40,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the deadline.

The Albite Claims can be purchased for $300,000 subject to a 2% Gross Proceeds Royalty.

The tables below summarize the exploration expenses spent on all the projects for the periods ended June 30, 2014 and 2013.

County Line	Year ended June 30, 2014	Year ended June 30, 2013
Acquisition and holding costs	$ 65,289	$ 58,689
Assays	9,195	13,199
Consulting fees	14,388	24,700
Field supplies, data and communication and other exploration costs	5,225	488
Legal and agreement costs	-	10,879
Drilling	38,051	88,573
Travel	496	6,319
	$ 132,644	$ 202,847

Dome Hill	Year ended June 30, 2014	Year ended June 30, 2013
Acquisition and holding costs	$ 25,412	$ 23,264
Assays	1,396	-
Consulting fees	5,770	-
Field supplies, data and communication and other exploration costs	54	20
Legal and agreement costs	-	3,954
Geological	1,955	-
Travel	276	1,352
	$ 34,863	$ 28,590

12. Exploration and evaluation expenditures (continued)

Shawnee Creek (Formerly known as Jungo)		Year ended June 30, 2014		Year ended June 30, 2013
Acquisition and holding costs	$	50,544	$	74,073
Assays		940		2,985
Consulting fees		1,450		30,933
Field supplies, data and communication and other exploration costs		680		2,169
Geophysical		4,332		1,400
Legal and agreement costs		484		13,044
Occupancy costs		507		730
Travel		-		6,159
	$	58,937	$	131,493

Northern Lights		Year ended June 30, 2014		Year ended June 30, 2013
Acquisition and holding costs	$	20,054	$	20,054
Assays		-		219
Consulting fees		-		3,828
Travel		-		522
	$	20,054	$	24,623

Gray Hills		Year ended June 30, 2014		Year ended June 30, 2013
Acquisition and holding costs	$	10,000	$	-
Consulting fees		5,178		-
Field supplies, data and communication and other exploration costs		749		-
Travel		1,319		-
	$	17,246	$	-

Tramp Springs		Year ended June 30, 2014		Year ended June 30, 2013
Acquisition and holding costs	$	20,829	$	-
Field supplies, data and communication and other exploration costs		1,162		-
	$	21,991	$	-

Other Properties		June 30, 2014		June 30, 2013
Evaluation expenditures	$	13,616	$	-
	$	13,616	$	-
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	**$**	**299,351**	**$**	**387,553**

13. Income taxes

The Corporation utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2014 and June 30, 2013 is $Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize deferred income tax assets.

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined statutory rate of 17% (2013 – 16%) were as follows:

	2014 $	2013 $
(Loss) before income taxes	(454,979)	(500,396)
Expected income tax recovery based on statutory rate	77,000	80,000
Adjustment to expected income tax benefit:		
Deferred tax assets acquired through business combination	-	95,000
Other	63,000	5,000
Change in Benefit of tax assets not recognized	(140,000)	(180,000)
Deferred income tax provision (recovery)	-	-

The 2014 statutory tax rate of 17% differs from the 2013 statutory tax rate of 16% because of the difference in allocation of the blended rate between entities in different jurisdictions.

(b) Deferred income tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

Canada	2014 $	2013 $
Non-capital loss carry-forwards	274,000	156,000
Share issue costs	44,000	63,000
Mineral property costs	526,000	411,000
Warrant liability	-	20,000
Other	2,000	1,000
Total	846,000	651,000
United States		
Non-capital loss carry-forwards	1,007,000	913,000
Decommissioning liability	25,000	-
Total	1,032,000	913,000

13. Income taxes (continued)

The Company has approximately $274,000 (CDN $292,000) (2013 - $156,000, CDN $166,000) of non-capital losses in Canada, $1,007,000 (2013 - $913,000) of non-capital losses in the United States as at June 30, 2014, which under certain circumstances can be used to reduce the taxable income of future years.:

The non-capital losses will expire as follows:

Canada

2032	$ 103,000
2033	54,000
2034	117,000
Total	$ 274,000

United States

2032	$ 129,000
2033	762,000
2034	116,000
Total	$ 1,007,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(c) Canadian development and exploration expenditures

The Corporation has approximately $1,015,000 (CDN$ 1,082,000) of Canadian development and exploration expenditures as at June 30, 2014 (2013 - $908,000, CDN$ 968,000) which under certain circumstances can used to reduce taxable income in future years.

14. Decommissioning liability

The Company's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Company's mineral exploration interests:

	Amount
Balance, June 30, 2012 and 2013	$ -
Adjustments resulting from re-measurement	24,783
Balance, June 30, 2014	$ 24,783

The Company has assessed its total provision for closure and reclamation and estimated it to be $24,783 at June 30, 2014 for continuing assets (June 30, 2013 - $nil) based on a total future liability of approximately $24,000 (June 30, 2013 - $nil), an inflation rate of 2.1% and a discount rate of 2.53%. Reclamation is expected to occur in ten years.

15. Commitments and contingencies

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

16. Subsequent event

On August 19, 2014 the Corporation closed a non-brokered private placement raising gross proceeds of CDN $982,672 (US $920,764) (the "Offering"). The Offering consisted of 19,653,431 common shares offered at a price of CDN $0.05 (US $0.047) per unit. A total of CDN $395,000 (US $370,115) of this placement was subscribed for by the directors and officers of the Corporation.

Prior to the year end, a sum of CDN$80,000 (US$74,960) was advanced to the Corporation as part of the aforementioned private placement.