BENZ CAPITAL CORP.

Financial Statements

April 30, 2013

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Benz Capital Corp.:

We have audited the accompanying financial statements of Benz Capital Corp., which comprise the statements of financial position as at April 30, 2013, and 2012, and the statements of operations and comprehensive loss, changes in equity and cash flows for the year ended April 30, 2013, and for the period from incorporation on November 9, 2011, to April 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2013, and 2012, and its financial performance and its cash flows for the year ended April 30, 2013, and for the period from incorporation on November 9, 2011, to April 30, 2012, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

/s/ "Lancaster & David"
CHARTERED ACCOUNTANTS

Vancouver, BC
August 12, 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Benz Capital Corp. (the "Company") are the responsibility of the Company's management. The financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the financial statements prior to their submission to the Board of Directors for approval.

The financial statements as at April 30, 2013 and 2012 and for the year ended April 30, 2013, and for the period from incorporation on November 9, 2011, to April 30, 2012, have been audited by Lancaster & David, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the financial statements.

"Miloje Vicentijevic"
Miloje Vicentijevic
President, CEO and Director
August 12, 2013

"Carlos Escribano"
Carlos Escribano
CFO and Director
August 12, 2013

	Note	2013	2012
		$	$
Operating costs			
General exploration		23,067	-
Listing and filing fees		28,614	2,240
Professional fees		70,760	6,572
Management fees	**7**	6,000	-
Share-based payments	**6**	33,636	-
Shareholder information		4,778	-
Other expenses		27,106	701
Loss from operations		(193,961)	(9,513)
Other income			
Interest income		982	33
Net loss and comprehensive loss		(192,979)	(9,480)
Loss per share – basic and diluted		(0.04)	-
Weighted average number of shares outstanding – basic and diluted (Note 6)		5,087,035	-

See accompanying notes to the financial statements

Benz Capital Corp.

Statements of financial position
As at April 30, 2013 and 2012

	Note	2013	2012
		$	$
Assets			
Current assets			
Cash and cash equivalents		487,780	118,682
Sales taxes recoverable		3,742	-
Advance to a related party	7	10,080	-
Prepaid expenses and deposits		687	-
		502,289	118,682
Exploration and Evaluation Assets	4,5	155,500	-
Deferred Financing Costs		-	27,126
		657,789	145,808
Liabilities			
Current liabilities			
Trade and other payables	7	18,459	5,288
		18,459	5,288
Equity			
Common shares	6	767,390	150,000
Equity reserves	6	74,399	-
Deficit		(202,459)	(9,480)
		639,330	140,520
		657,789	145,808

Nature and Continuance of Operations (Note 1)

Approved on behalf of the board

(Signed) Miloje Vicentijevic
Miloje Vicentijevic, President, CEO and Director

(Signed) Carlos Escribano
Carlos Escribano, CFO and Director

See accompanying notes to the financial statements

Benz Capital Corp.

Statements of cash flows

Year ended April 30, 2013, and period from incorporation on November 9, 2011, to April 30, 2012

	Note	2013	2012
		$	$
Cash Flows from Operating Activities			
Net loss for the period		(192,979)	(9,480)
Adjustments for non-cash items:			
Share-based payments	6	33,636	-
Change in non-cash operating working capital:			
Increase in sales taxes recoverable		(3,742)	-
Increase in prepaid expenses		(687)	-
Increase in trade and other payables		13,171	1,272
Increase in advance to a related party		(10,080)	-
Net cash flows used in operating activities		(160,681)	(8,208)
Cash Flows from Investing Activities			
Expenditures on exploration and evaluation assets	4	(25,000)	-
Net cash flows used in investing activities		(25,000)	-
Cash Flows from Financing Activities			
Deferred financing costs paid		-	(23,110)
Proceeds from the exercise of compensation options		9,300	-
Proceeds from common shares issued – net of issuance costs		545,479	150,000
Net cash flows provided by financing activities		554,779	126,682
Net increase in cash and cash equivalents		369,098	118,682
Cash and cash equivalents, beginning of period		118,682	-
Cash and cash equivalents, end of period		487,780	118,682

See accompanying notes to the financial statements

Benz Capital Corp.

Statements of changes in equity

Year ended April 30, 2013, and period from incorporation on November 9, 2011, to April 30, 2012

		Common Shares				
	Note	Number of Shares	Amount	Equity Reserves	Deficit	Total Equity
At November 9, 2011		-	$ -	$ -	$ -	$ -
Seed capital issued		3,000,000	150,000	-	-	150,000
Net loss for the period		-	-	-	(9,480)	(9,480)
Balance, April 30, 2012		**3,000,000**	**$ 150,000**	**$ -**	**$ (9,480)**	**$ 140,520**
Common shares issued for cash:						
Proceeds from IPO and private placements		4,299,952	585,510	34,483	-	619,993
Share issuance costs	**2**	-	(111,640)	10,000	-	(101,640)
Exercise of compensation options		93,000	9,300	-	-	9,300
Shares issued for mineral property options rights	**5**	450,000	130,500	-	-	130,500
Share-based payments	**6**	-	-	33,636	-	33,636
Fair value of compensation options exercised		-	3,720	(3,720)	-	-
Net loss for the year		-	-	-	(192,979)	(192,979)
Balance, April 30, 2013		**7,842,952**	**$ 767,390**	**$ 74,399**	**$ (202,459)**	**$ 639,330**

See accompanying notes to the financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Benz Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 9, 2011. The Company is involved in the acquisition and exploration of a mineral property located in the Yukon Territory.

Prior to April 10, 2013 the Company was a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange (the "TSX-V Exchange") Policy 2.4. The activities of the Company were initially limited to the efforts to identify and evaluate the acquisition of assets and businesses, which would represent a "Qualifying Transaction" for regulatory purposes. On April 10, 2013 the Company successfully completed a "Qualifying Transaction" by acquiring an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property.

The Company's head office is located at Suite 900, 570 Granville Street, Vancouver, British Columbia, V6C 3P1; and the registered office is located at Suite 400, 570 Granville Street, Vancouver, BC V6C 3P1. The Company's common shares are traded on the TSX-V Exchange.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2013, the Company has working capital of $483,830 and accumulated losses of $202,459. The Company has not yet generated any revenues from its operations. The Company is required to raise new financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral property. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing or that it will ever develop a self-supporting business. These factors together may raise significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of presentation

These financial statements are expressed in Canadian dollars, the Company’s functional currency and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

Approval of the financial statements

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 12, 2013.

Significant Accounting Judgements and Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Going concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation. Further disclosure is included in Note 1.

b) Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company’s exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests.

c) Valuation of share-based payments

The Company uses the Black-scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgements and Estimates (continued)

d) Recognition and measurement of deferred tax assets and liabilities

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated 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/liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Upon initial recognition, financial assets and liabilities are measured at fair value plus transaction costs, except for those financial assets and liabilities classified as fair value through profit or loss, which are initially measured at fair value. The Company's financial instruments consists principally of cash and cash equivalents, advance to a related party and trade and other payables.

(i) Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss ("FVTPL") - This category comprises derivatives, assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or assets designated upon initial recognition as FVTPL. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive (loss) income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets **(continued)**

- Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest rate method less any impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The carrying amount of trade receivables is reduced through an allowance account. Amounts deemed to be uncollectable are written off against the allowance account and subsequent recoveries are credited against the allowance account.
- Changes in the allowance account are recognized in the statement of comprehensive (loss) income.
- Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive (loss) income.
- Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive (loss) income.

All financial assets except for those recorded at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was assumed. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term or liabilities designated upon initial recognition as FVTPL. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive (loss) income.

- Other financial liabilities - Other financial liabilities are subsequently measured at amortized cost, using the effective interest rate method.

(iii) Classification of financial instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) 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. 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).

The Company's cash and cash equivalents are designated as Level 1.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are cashable and readily convertible into a known amounts of cash.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

The cost of a property acquired as an individual asset purchase or as part of a business combination represents the property's fair value at the date of acquisition. This cost is capitalized until the viability of the mining property is determined. When it is determined that a property is not economically viable, the amount capitalized is written off which includes expenditures which were capitalized to the carrying amount of the property subsequent to its acquisition.

The Company expenses all costs relating to the exploration for and evaluation of mineral claims until such time as a technical feasibility study has been completed and commercial viability of extracting the mineral resources is demonstrable. Such costs include, but are not limited to, geological, geophysical studies, exploratory drilling and sampling. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation expenses attributable to that area of interest will be capitalized to mineral properties. Costs will continue to be capitalized until the property to which they relate is ready for its intended use, sold, abandoned or management has determined there is impairment. If economically recoverable reserves are developed, capitalized costs of the property are depleted using the units of production method.

The Company capitalizes acquisition costs related to mineral properties.

Impairment

Non-financial assets are reviewed for impairment at the end of each reporting period and throughout the year if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, any intangible asset with an indefinite useful life, or any intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash-generating unit’s 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Impairment of goodwill cannot be reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The share option plan allows Company employees, directors and consultants to acquire shares of the Company. All options granted are measured at fair value and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. For non-employees, share-based payments are measured at the fair value goods and services received or the fair value of the equity instruments issued, if it is determined the fair value cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options is accrued and charged either to operations or exploration and evaluation assets, with the offset credit to equity reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. Upon the expiration or cancellation of unexercised stock options, the Company will transfer the value attributed to those stock options from equity reserves to deficit.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company 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. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Unit offerings

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from equity reserves to share capital. If the warrants expire unexercised, the Company will transfer the value attributed to those warrants from equity reserves to deficit.

Deferred financing costs

Direct costs incurred to prepare the initial public offering were initially deferred and recognized as non-current deferred financing costs. Upon completion of the initial public offering, deferred financing costs were charged against gross proceeds received. During the year ended April 30, 2013, total costs of share issuance were $111,640, of which $27,126 was deferred at April 30, 2012.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

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

Deferred tax is provided for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced using a valuation allowance.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income (Loss)

Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. Other comprehensive income includes gains or losses that IFRS requires to be recognized in a period, but excluded from net income for that period. The Company has no items representing other comprehensive income during the year ended April 30, 2013, or the period from incorporation on November 9, 2011, to April 30, 2012.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Recent accounting pronouncements not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for the Company’s accounting periods beginning on May 1, 2013, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective for the Company on May 1, 2013

IFRS 10 – Consolidated Financial Statements
IFRS 10 establishes the principles for the presentation and preparation of financial statements when an entity controls one or more other entities. IFRS 10 changed the definition of control such that the same criteria are applied to all entities to determine control. IFRS 10 supersedes all of the guidance in IAS 27 *Separate Financial Statements* and SIC 12 *Consolidation – Special Purpose Entities*.

IFRS 11 – Joint Arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC *13 Jointly Controlled Entities – Non-monetary Contributions.*

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards effective for the Company on May 1, 2013 (continued)

IFRS 12 – Disclosure of interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard 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. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value that is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 27 – Separate Financial Statements

As a result of the issue of the new consolidation suite of standards, IAS 27 *Separate Financial Statements* has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 – Investments in Associates and Joint Ventures

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provided the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.

IAS 1 – Presentation of Financial Statements

In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be recycled to profit or loss in future periods.

IFRIC 20 – Production Stripping Costs

In October 2011, the IASB issued IFRIC 20 *Stripping Costs*, which requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards effective for the Company on May 1, 2013 (continued)

IAS 32 – Financial Instruments: Presentation
In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

Management does not expect that the adoption of these standards and interpretations will have a significant effect on the financial statements of the Company other than additional disclosures.

The following standard will be effective for the Company's annual periods beginning on May 1, 2015:

IFRS 9 – Financial Instruments
In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments* that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

Management has not yet completed its process of assessing the impact that IFRS 9 will have on the Company's financial statements or whether to early adopt this requirement.

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

	Eagle Property	Total
Balance, April 30, 2012	$ -	$ -
Costs incurred during 2013:		
Acquisition Costs	155,500	155,500
Balance, April 30, 2013	$ 155,500	$ 155,500

The Eagle Property is comprised of 14 quartz mining leases granted under the *Quartz Mining Act* (Yukon) and is located in the Mayo District in the Yukon Territory. Since discovery of the Eagle vein in 1920, the Eagle Property has undergone sporadic surface exploration including two phases of core drilling. There has been no underground development or production.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Realization of Exploration and Evaluation Assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Title to Exploration and Evaluation Assets Interests

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

5. MINERAL PROPERTY OPTION AGREEMENT

On April 10, 2013, the Company closed its purchase of an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property (the "Option Purchase"). The Option Purchase constitutes the Company's "Qualifying Transaction" under the policies of the TSX-V Exchange.

The Option Purchase was completed pursuant to the terms of an option purchase and assignment agreement dated November 30, 2012 (the "Purchase Agreement") with Avaron Mining Corp. ("Avaron") and Avino Silver & Gold Mines Ltd. ("Avino"). Pursuant to the Purchase Agreement, the Company has acquired all of Avaron's interest in an Option Agreement between Avaron and Avino pursuant to which Avaron has the option to acquire from Avino up to an undivided 100% interest in the Eagle Property. As consideration for the Option Purchase, the Company has paid to Avaron a cash payment of $25,000 and issued 400,000 of its common shares with a fair value of $116,000. Additionally, the Company also issued 50,000 common shares with a fair value of $14,500 to Avino as consideration for Avino's consent to the Option Purchase, as required under the terms of the Option Agreement.

Avaron is a private junior mining company incorporated under the laws of British Columbia. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. As a result, the Option Purchase constitutes a related party transaction.

The terms of the Option Agreement allow the Company to exercise the Option to acquire a 75% interest in the Eagle Property by making cash payments to Avino in an aggregate amount of $350,000, issuing a total of 500,000 common shares and either completing drilling on a total of 35,000 metres in depth or incurring cumulative exploration expenditures of $7,100,000 on the Eagle Property all over a five year period. Upon acquisition of a 75% interest, the Company will have the option to acquire an additional 25% interest in the Eagle Property or form a joint venture with Avino for the further exploration and development of the Eagle Property.

The Company may exercise the additional option by either determining to put the Eagle Property into commercial production within three years of the exercise of the 75% interest and paying advance royalty payments to Avino in the amount of $1,000,000 or, alternatively, by making further cash payments to Avino in the amount of $200,000, issuing an additional 500,000 common shares and drilling an additional 10,000 metres or incurring exploration expenditures of $2,000,000 over a two year period following the exercise of the 75% interest.

5. MINERAL PROPERTY OPTION AGREEMENT (continued)

The cash and exploration requirements under the agreements are summarized as follows:

	Cash	Exploration Expenditures*	Shares
On or before January 3, 2014	–	100,000	–
On or before January 3, 2015	100,000	625,000	–
On or before January 3, 2016	100,000	1,000,000	250,000
On or before January 3, 2017	50,000	2,000,000	250,000
On or before January 3, 2018	100,000	3,375,000	–
	$ 350,000	**$ 7,100,000**	**500,000**

* The requirement to incur $100,000 of exploration expenditures on or before January 3, 2014, is a firm commitment. Accordingly, to the extent such exploration expenditure requirement is not fulfilled by the Company, the Company will be required to pay Avino, in cash, any balance not incurred. The Company may complete drilling at a minimum of 2,500 meters, 5,000 meters, 10,000 meters and 17,000 meters in lieu of the exploration expenditures due on or before January 3, 2015, 2016, 2017, and 2018, respectively.

6. SHARE CAPITAL

a) Authorized: Unlimited common shares, without par value
Unlimited preferred shares, without par value

b) Issued:

(i) On April 10, 2013, the Company closed a non-brokered private placement issuing 1,000,000 units at a price of $0.25 per unit for gross proceeds of $250,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share at a price of $0.35 per common share until April 10, 2015. Of this amount, $34,483 was attributable to common share purchase warrants, which has been recorded in equity reserves. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 0.99%, dividend yield of nil, volatility of 80% and an expected life of 24 months.

(ii) On April 10, 2013, the Company issued 450,000 of its common shares with a fair value of $130,500, as consideration for the Option Purchase (see Note 5).

(iii) On October 18, 2012, the Company closed a non-brokered private placement issuing 799,952 common shares at a price of $0.15 per common share for gross proceeds of $119,993.

6. SHARE CAPITAL (continued)

b) Issued (continued):

(iv) On September 18, 2012, the Company completed its initial public offering ("IPO") issuing 2,500,000 common shares at a price of $0.10 per common share for gross proceeds of $250,000.

The Company paid a cash commission of $25,000 equal to 10% of the applicable gross proceeds of the IPO and issued 250,000 compensation options to purchase common shares of the Company equal to 10% of the common shares sold through the IPO. Each compensation option is exercisable at a price of $0.10 per share and entitles the holder to one common share until September 17, 2014. During the year ended April 30, 2013, 93,000 compensation options were exercised at $0.10 per share for gross proceeds of $9,300.

The fair value of the compensation options issued have been estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.09%, dividend yield of nil, volatility of 80% and an expected life of 24 months. The 250,000 compensation options were valued at $10,000.

(v) On December 30, 2011, the Company issued its initial seed shares of 3,000,000 common shares for gross proceeds of $150,000.

Share Split:
On March 28, 2012, the Company effected a split of its issued and outstanding shares on the basis of two new shares for every one existing share resulting in an increase to the total number of common shares outstanding from 1,500,000 common shares to 3,000,000 common shares. All common share and per common share amounts have been restated to retroactively reflect the share split.

Escrow Shares:
An amount of 2,970,000 common shares are held in escrow. These shares are subject to an escrow agreement in accordance with the Exchange Policy 2.4. On closing of the Qualifying Transaction (see Note 5), 10% of these shares were released. The remaining shares will be released in six equal tranches of 15% every six months following the closing of the Qualifying Transaction for a period of 36 months.

6. SHARE CAPITAL (continued)

b) Issued (continued):

Loss Per Share:
Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding during the period is net of contingently returnable shares. The following table details the weighted average number of common shares outstanding:

	April 30, 2013	April 30, 2012
Weighted average number of common shares outstanding	5,087,035	2,115,607
Less: Weighted average number of contingently returnable shares	-	(2,115,607)
Weighted average number of non-contingently returnable shares	**5,087,035**	-

c) Share purchase warrants and compensation options

A summary of the share purchase warrants and compensation options issued, exercised and expired during the year ended April 30, 2013, is as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, April 30, 2012	-	$ -
Issued	750,000	0.27
Exercised	(93,000)	0.10
Balance, April 30, 2013	**657,000**	**$ 0.29**

Details of share purchase warrants and compensation options outstanding as at April 30, 2013, and 2012, are:

		Outstanding and Exercisable	
Expiry Date	**Exercise Price per Share**	**April 30, 2013**	April 30, 2012
September 17, 2014	$0.10	**157,000**	-
April 10, 2015	$0.35	**500,000**	-
		657,000	-

6. SHARE CAPITAL (continued)

d) Stock option plan

The Company's stock option plan authorizes for the granting of options to directors, officers, employees and consultants. Pursuant to the terms of the Stock Option Plan, the Board of Directors may from time to time, in its discretion, and in accordance with Exchange policies, grant incentive stock options ("Options") to purchase the Company's common shares to directors, officers, employees and consultants. Under the Stock Option Plan, a maximum of 10% of the outstanding shares can be reserved for issuance. The number of shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding shares.

Stock option activity for the year ended April 30, 2013, is summarized as follows:

	Underlying Shares	Weighted Average Exercise Price
Stock options outstanding, April 30, 2012	-	$ -
Granted	784,000	$0.14
Stock options outstanding, April 30, 2013	**784,000**	**$0.14**
Stock options exercisable, April 30, 2013	**550,000**	**$0.10**

A summary of stock options outstanding as at April 30, 2013 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Weighted Average Remaining Contractual Life (yrs)	Intrinsic Value	Expiry Date
550,000	550,000	$0.10	4.39	$0.12	September 17,2017
234,000	-	$0.25	4.99	$0.00	April 26, 2018
784,000	550,000		4.57		

6. SHARE CAPITAL (continued)

e) Share-based payments

On September 18, 2012, the Company granted 550,000 stock options to directors and officers, effective on the closing of the IPO, exercisable at $0.10 per share for a period of 5 years from the closing date of the IPO.

On April 26, 2013, the Company granted 234,000 stock options to consultants, directors and officers, exercisable at $0.25 per share for a period of 5 years from the grant date. The stock options vest and become exercisable on April 26, 2014.

During the year ended April 30, 2013, the Company recorded total share-based payments of $33,636 for stock options vested during the year (2012 - $nil). The amounts expensed were allocated to directors, officers, and consultants as follows:

	2013	2012
Directors and officers	$ 33,217	$ -
Consultants	419	-
	$ 33,636	$ -

Option-pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the options re-priced and granted to officers, directors, consultants, and employees was calculated using the Black-Scholes model with following weighted average assumptions and resulting grant date fair value:

	April 30, 2013	April 30, 2012
Weighted average assumptions:		
Risk-free interest rate	1.27%	NA
Expected dividend yield	-	NA
Expected option life (years)	5	NA
Expected stock price volatility	80%	NA
Weighted average fair value at grant date	$0.08	NA

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these financial statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of directors and officers was as follows:

		2013	2012
Salaries, bonuses, fees and benefits			
Consulting fees to the President and CEO of the Company	$	6,000	NA
Legal fees to a law firm of which a Director is Principal		5,921	NA
Share-based payments			
Officers and Directors of the Company		33,217	NA
	$	45,138	NA

b) In the normal course of operations the Company transacts with companies related to its directors or officers. The following amounts are payable (receivable) from related parties:

		April 30, 2013		April 30, 2012
Law firm of which a Director of the Company is Principal*	$	6,338	$	-
VA True Management Ltd.	$	(10,080)	$	-

* Included in trade and other payables

c) The option purchase agreement between the Company and Avaron Mining Corp. constitutes a related party transaction. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. Please see Note 5 for further details.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	April 30, 2013	April 30, 2012
Statutory rates	25%	25%
Loss before income taxes	$ (192,979)	$ (9,480)
Expected income tax recovery at statutory rate	48,245	2,370
Non-deductible items and permanent differences	(9,204)	1,296
Change in valuation allowance	(39,041)	(3,666)
Future income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	April 30, 2013	April 30, 2012
Future income tax asset:		
Non-capital loss carryforwards	$ 42,707	$ 3,666
Exploration expenditure pool	5,767	-
Undeducted financing costs	20,972	5,425
	69,446	9,091
Less: valuation allowance	(69,446)	(9,091)
Net future income tax assets	$ -	$ -

The Company has non-capital losses for tax purposes of approximately $171,000 (2012 - $15,000), which may be used to reduce future taxable income in Canada, expiring beginning in 2022. The Company has unclaimed exploration expenditures of approximately $23,067 (2012 - $nil), which can be deducted for income tax purposes in Canada in future years at the Company's discretion.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year ended April 30, 2013.

10. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, advance to a related party and trade and other payables. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

The Company's credit risk is mainly attributable to its liquid financial assets: cash and cash equivalents. The Company deposits cash with high credit quality financial institutions and credit risk is considered to be minimal. The Companies maximum exposure to credit risk is $487,780.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2013, the Company had a cash and cash equivalents balance of $487,780 (April 30, 2012 - $118,682) to settle current liabilities of $18,459 (April 30, 2012 - $5,288).

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

d) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of April 30, 2013, the Company has no interest bearing term deposits.

e) Foreign currency risk

The Company does not have any assets or liabilities in a foreign currency.

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.