I-Minerals Inc.

Condensed Interim Consolidated Financial Statements
For the nine months ended January 31, 2014
(Unaudited - Expressed in US dollars)

I-Minerals Inc.

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

I-Minerals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in US dollars)

	Note	January 31, 2014 $	April 30, 2013 $
ASSETS			
Current assets			
Cash		535,223	43,196
Receivables and prepaids	5	115,274	49,369
		650,497	92,565
Equipment		21,641	19,648
Mineral property	6	13,045,768	11,600,943
Deposits		8,728	58,728
		13,726,634	11,771,884
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,12	679,182	528,422
Demand loans	8	-	100,000
Loans	8	-	210,991
Promissory notes	9	-	1,905,000
		679,182	2,744,413
Promissory notes	9	3,904,280	-
Warrant derivatives	10	2,317,664	234,596
Deferred income tax liability		748,000	748,000
		7,649,126	3,727,009
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	11	15,579,217	14,756,503
Contributed surplus		1,610,147	1,444,926
Deficit		(11,111,856)	(8,156,554)
		6,077,508	8,044,875
		13,726,634	11,771,884

NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Notes 11 and 16)

On behalf of the Board

ñThomas M. Conwayò Director ñW. Barry Girlingò Director

I-Minerals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in US dollars)

	Note	Three months ended January 31, 2014 $	Three months ended January 31, 2013 $	Nine months ended January 31, 2014 $	Nine months ended January 31, 2013 $
EXPENSES					
Accounting		9,508	5,553	26,400	27,823
Amortization		2,094	2,099	6,283	6,239
Management and consulting fees	12	19,470	15,063	59,667	47,767
Office, telephone and miscellaneous		50,862	20,176	106,618	69,785
Professional fees		47,346	19,441	116,109	84,946
Promotion and shareholder communication		47,149	12,510	58,260	44,306
Share-based payments	11	44,410	-	141,830	-
Transfer and regulatory fees		4,292	9,582	19,785	18,003
		(225,131)	(84,424)	(534,952)	(298,869)
Bonus shares and bonus warrants issued as financing expenses	9	(58,812)	(146,952)	(421,238)	(146,952)
Foreign exchange gain (loss)		1,394	(1,463)	6,651	(4,701)
Interest on convertible loans, demand loans and loans	8	-	(20,084)	(11,991)	(60,141)
Interest on promissory notes	9	(109,302)	(29,996)	(240,677)	(62,069)
Change in fair value of convertible loans		-	(7,910)	-	(40,528)
Change in fair value of warrant derivatives	10	(153,309)	(738)	(1,753,095)	105,168
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(545,160)	(291,567)	(2,955,302)	(508,092)
Loss per share ï basic and diluted		(0.01)	(0.00)	(0.04)	(0.01)
Weighted average number of shares outstanding		71,792,306	62,148,531	69,767,624	61,286,399

I-Minerals Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended January 31, 2014 and 2013

(Unaudited - Expressed in US dollars)

	2014 $	2013 $
OPERATING ACTIVITIES		
Net loss for the period	(2,955,302)	(508,092)
Items not involving cash:		
Amortization	6,283	6,239
Share-based payments	141,830	-
Bonus shares and bonus warrants issued as financing expenses	421,238	146,952
Foreign exchange gain	(4,420)	(450)
Change in fair value of convertible loans	-	40,528
Change in fair value of warrant derivatives	1,753,095	(105,168)
	(637,276)	(419,991)
Change in non-cash operating working capital items:		
Receivables and prepaids	(65,905)	75,983
Accounts payable and accrued liabilities	155,547	58,401
Cash flows used in operating activities	(547,634)	(285,607)
INVESTING ACTIVITIES		
Deposits recovered	50,000	(7,620)
Mineral property expenditures	(1,330,477)	(1,030,654)
Purchase of equipment	(8,276)	(770)
Cash flows used in investing activities	(1,288,753)	(1,039,044)
FINANCING ACTIVITIES		
Proceeds from private placement, net of cash issuance costs	533,414	-
Promissory notes received	1,895,000	1,354,181
Promissory notes repaid	-	(10,846)
Demand loans repaid	(100,000)	-
Cash flows from financing activities	2,328,414	1,343,335
INCREASE IN CASH	492,027	18,684
CASH, BEGINNING OF THE PERIOD	43,196	9,441
CASH, END OF THE PERIOD	535,223	28,125
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	7,211	13,845
Taxes paid	-	-

Non-cash transactions (Note 15)

I-Minerals Inc.

Condensed Interim Consolidated Statements of Changes in Equity
For the nine months ended January 31, 2014 and 2013

(Unaudited - Expressed in US dollars)

	Number of Shares #	Amount $	Contributed Surplus $	Accumulated Deficit $	Total Equity Attributable to Shareholders $
Balance at April 30, 2012	60,685,576	13,884,344	1,444,926	(7,008,452)	8,320,818
Issued during the period:					
Shares issued for interest payment	333,607	53,274	-	-	53,274
Shares issued pursuant to mineral property agreement	1,300,000	176,676	-	-	176,676
Shares issued as a financing expense	800,000	146,952	-	-	146,952
Net loss for the period	-	-	-	(508,092)	(508,092)
Balance at January 31, 2013	63,119,183	14,261,246	1,444,926	(7,516,544)	8,189,628
Balance at April 30, 2013	68,301,991	14,756,503	1,444,926	(8,156,554)	8,044,875
Issued during the period:					
Shares issued pursuant to private placement of units	3,100,000	409,505	-	-	409,505
Less: issue costs ï cash	-	(24,214)	-	-	(24,214)
Less: issue costs ï finderõs warrants	-	(23,391)	23,391	-	-
Shares issued to settle loans	2,277,341	221,426	-	-	221,426
Shares issued as a financing expense	1,339,262	239,388	-	-	239,388
Share-based payments	-	-	141,830	-	141,830
Net loss for the period	-	-	-	(2,955,302)	(2,955,302)
Balance at January 31, 2014	75,018,594	15,579,217	1,610,147	(11,111,856)	6,077,508

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN:

I-Minerals Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada, in 1984. The Company is listed for trading on the TSX Venture Exchange under the symbol “IMA” and the OTCQX marketplace under the symbol “IMAHF”. The Company's address and head office is 880 - 580 Hornby Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At January 31, 2014, the Company was still in the exploration stage and had not yet achieved profitable operations, had a working capital deficiency of $28,685, had an accumulated deficit of $11,111,856 since inception and expects to incur further losses in the development of its business, all of which indicates the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, its ability to obtain the necessary financing to develop the properties and to meet its obligations and repay its liabilities arising from normal business operations when they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The Company is currently receiving funds from a company controlled by a director of the Company through promissory notes (Note 9).

2. BASIS OF PRESENTATION:

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended April 30, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended April 30, 2013.

These financial statements were approved by the board of directors for issue on March 28, 2014.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2013.

The following new standards, amendments and interpretations that have been adopted for the Company's current fiscal year have not had a material impact on the Company:

- IFRS 10, *Consolidated Financial Statements*
- IFRS 11, *Joint Arrangements*
- IFRS 12, *Disclosure of Interests in Other Entities*
- IFRS 13, *Fair Value Measurement*
- IAS 1, *Presentation of Financial Statements*

The following new standard has been issued but not yet applied.

IFRS 9, *Financial Instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. The Company has not assessed the impact of this standard.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements:

(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

(ii) The Company is in the process of advancing its mineral property. The Company has identified probable reserves. The recoverability of amounts shown for mineral property acquisition costs and mineral property deferred costs is dependent upon the ability of the Company to obtain the necessary financing to complete the development of its mineral property, and upon future profitable production or proceeds from the disposition or development of its mineral property.

(iii) The assessment of indicators of impairment for the mineral property and the related determination of the recoverable amount and write-down of the property where applicable.

(iv) Although the Company has taken steps to verify title to the mineral property in which it has an interest, these procedures do not guarantee the Company's title. The property may be subject to prior agreements or transfers and title may be affected by undetected defects.

(v) The Company operates in the United States and Canada and transacts in multiple currencies including Canadian dollars, US dollars and Euros. Being an exploration stage company, the Company has no revenues from operations to date and therefore has based the determination of functional currency on expenditures, financial commitments and historical financing, the areas where the majority of the Company's transactions occur. Transactions related to all three of these criteria occur in more than one currency, however the US dollar is the dominant currency for each of these criteria and therefore the currency of the primary economic environment to which the Company is the most significantly exposed. As such, management has determined the US dollar to be the functional currency of the Company and all significant subsidiaries within the consolidated group.

(Unaudited - Expressed in US dollars except where otherwise indicated)

5. RECEIVABLES AND PREPAIDS:

	January 31, 2014 $	April 30, 2013 $
GST recoverable	16,651	6,813
Prepaid expenses	97,275	41,208
Accounts receivable	1,348	1,348
Total receivables and prepaids	115,274	49,369

6. MINERAL PROPERTY:

The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Helmer-Bovill Property – Latah County, Idaho

Details of acquisition and exploration costs for the nine months ended January 31, 2014 and the year ended April 30, 2013 are as follows:

	Helmer-Bovill Property $
Balance, April 30, 2012	10,212,720
ACQUISITION COSTS	
Shares	176,676
	176,676
EXPLORATION COSTS	
Engineering and consulting	642,627
Environmental	81,450
Excavation and screening	11,616
Field and survey	19,178
Marketing and research	60,222
Mineral analysis and processing	197,804
Permitting, licenses and fees	173,238
Project management	13,185
Travel	12,227
	1,211,547
Balance, April 30, 2013	11,600,943

(Unaudited - Expressed in US dollars except where otherwise indicated)

	Helmer-Bovill Property $
Balance, April 30, 2013	11,600,943
EXPLORATION COSTS	
Drilling	662,559
Engineering and consulting	176,968
Environmental	70,219
Excavation and screening	7,590
Field and survey	30,777
Marketing and research	125,492
Mineral analysis and processing	234,611
Permitting, licenses and fees	98,357
Project management	9,999
Travel	28,253
	1,444,825
Balance, January 31, 2014	13,045,768

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	January 31, 2014 $	April 30, 2013 $
Trade payables	249,460	211,996
Amounts due to related parties (Note 12)	191,428	205,200
Interest payable on demand loans (Note 8)	-	3,000
Interest payable on loans (Note 8)	-	6,330
Interest payable on promissory notes (Note 9)	238,294	101,896
Total accounts payable and accrued liabilities	679,182	528,422

8. DEMAND LOANS AND LOANS:

Summary of demand loans and loans are as follows:

	January 31, 2014 $	April 30, 2013 $
Demand loans	-	100,000
Loans	-	210,991
Total loans	-	310,991

Interest on demand loans and loans was at 12 per cent per year, calculated semi-annually and paid semi-annually either in cash or in shares, at the election of the Company. The demand loans were unsecured and due on demand. The loans were unsecured and due on April 1, 2014.

(Unaudited - Expressed in US dollars except where otherwise indicated)

During the nine months ended January 31, 2014, the Company repaid the Demand Loans plus accrued interest of $6,411.

During the nine months ended January 31, 2014, CDN$212,500 ($206,571) of the Loans plus accrued interest of CDN$15,234 ($14,855) were settled by the issuance of 2,277,341 shares at the aggregate fair value of CDN$227,734 ($221,426).

9. PROMISSORY NOTES:

	$
Balance, April 30, 2012	160,117
Add: Proceeds from promissory notes	1,759,181
Deduct: Repayment of promissory notes	(13,771)
Deduct: Unrealized foreign exchange gain	(527)
Balance, April 30, 2013	1,905,000
Add: Proceeds from promissory notes	1,895,000
Add: Accrued interest rolled in as principal	104,280
Balance, January 31, 2014	3,904,280

During the year ended April 30, 2013, the Company received an aggregate of $1,755,000 and CDN$4,000 ($4,181) of promissory notes from directors of the Company. On September 19, 2012, the Company entered into an agreement with a company controlled by a director of the Company (the "Lender") outlining the terms of $1,000,000 of the promissory notes (the "First Promissory Notes"). The First Promissory Notes bore interest at the rate of 9.5% per annum and were unsecured and due on demand. The Company issued 800,000 bonus shares to the Lender at the fair value of $146,952, determined by reference to the trading price of the Company's common shares on the transaction date. The fair value of the bonus shares was expensed on the issuance date.

On September 13, 2013 and January 27, 2014, the Company entered into additional agreements with the Lender pursuant to which up to $5,787,280 will be advanced to the Company in tranches, of which $3,904,280 had been advanced as at January 31, 2014 (the "Second Promissory Notes"). The $1,000,000 of principal and $23,054 of accrued interest pursuant to the First Promissory Notes was rolled into the Second Promissory Notes as principal (together, the "Promissory Notes"). An additional $81,226 of accrued interest has been treated as principal. The Promissory Notes bear interest at the rate of 12% per annum. The Promissory Notes are secured by the Company's Helmer-Bovill Property (Note 6). Interest is payable semi-annually as calculated on May 31st and November 30th. Interest is to be paid either in cash or in common shares at the option of the Lender. The Promissory Notes are due as to $1,000,000 on December 31, 2015, $2,000,000 on June 30, 2016 and the balance due on December 31, 2016. Certain conditions may result in early repayment.

The Company will issue the Lender bonus shares and bonus share purchase warrants equal to 6% of the amounts advanced. Each bonus share purchase warrant will entitle the Lender to purchase one common share of the Company at a price equal to the greater of (a) the market price of the Company's common shares on the date of the advance and (b) the volume weight average price of the Company's common shares over the twenty trading days immediately prior to the date of the advance. The bonus share purchase warrants expire on the earlier of (a) December 1, 2016 and (b) the date the advance has been repaid in full, including interest.

During the nine months ended January 31, 2014, the Company issued 1,339,262 bonus shares to the Lender at the fair value of $239,388, determined by reference to the trading price of the Company's common shares on the transaction date. The Company also issued 1,339,262 bonus share purchase warrants at a weighted average exercise price of $0.16. The fair value of bonus share purchase warrants issued during the nine months ended January 31, 2014 of CDN$191,479 ($181,850) was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: stock price ï CDN$0.21; exercise price ï CDN$0.16; expected risk-free interest rate ï 1.13%; expected life ï 3.1 years; expected volatility ï 103% and expected dividend rate ï 0%. The fair value of the bonus shares and bonus share purchase warrants was expensed on the issuance date.

At January 31, 2014, $250,000 of advances are outstanding which the Company is committed to issuing bonus shares and bonus share purchase warrants on.

At January 31, 2014, accounts payable and accrued liabilities included $238,294 (April 30, 2013 - $101,896) of interest payable on the Promissory Notes. Subsequent to January 31, 2014, the Company issued 1,001,112 common shares as payment of $201,414 of interest.

10. DERIVATIVE LIABILITIES:

Derivate liabilities are financial instruments classified as fair value through profit or loss financial liabilities.

	$
Balance, April 30, 2012	107,325
Warrant amendment expense	233,385
Change in fair value of warrant derivatives	(106,114)
Balance, April 30, 2013	234,596
Warrants issued pursuant to Promissory Notes (Note 9)	181,850
Warrants issued pursuant to private placement of units (Note 11)	148,123
Change in fair value of warrant derivatives	1,753,095
Balance, January 31, 2014	2,317,664

Warrant Derivative Liabilities

At April 30, 2013, the Company had 20,000,000 share purchase warrants exercisable into common shares at an exercise price denominated in Canadian dollars. During the nine months ended January 31, 2014, the Company issued an additional 1,339,262 share purchase warrants pursuant to the Promissory Notes (Note 9) and 1,550,000 share purchase warrants pursuant to a private placement of units (Note 11). As a variable amount of US dollars are exercisable into a fixed number of common shares, the share purchase warrants (the ìWarrant Derivative Liabilitiesî) are classified as derivative liabilities. Share purchase warrants issued as compensation are treated as share-based payments, not financial instruments (derivatives).

At January 31, 2014, the Company determined the fair value of Warrant Derivative Liabilities to be $2,317,664 (April 30, 2013 - $234,596) as estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	January 31, 2014	April 30, 2013
Stock price (CDN$)	0.23	0.06
Exercise price (CDN$)	0.39	0.40
Risk-free interest rate (%)	1.13	1.13
Expected life (years)	2.26	3.00
Expected volatility (%)	110	93
Expected dividends ($)	Nil	nil

(Unaudited - Expressed in US dollars except where otherwise indicated)

11. SHARE CAPITAL:

Common shares

Authorized: Unlimited number of common shares, without par value.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Financings

During the nine months ended January 31, 2014, the Company completed the following financing:

i) On January 31, 2014, the Company completed a private placement of 3,100,000 units at CDN$0.20 per unit for gross proceeds of $557,628 (CDN$620,000). Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CDN$0.40 per share until January 31, 2016. A value of $148,123 has been attributed to these warrants using the Black-Scholes option pricing model and has been credited to derivative liabilities (Note 10).

   The Company paid commissions consisting of $16,747 (CDN$18,620) cash and 200,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of CDN$0.25 per share until January 31, 2016. In addition, the Company incurred legal and other out-of-pocket expenses related to the private placement in the amount of $24,214. The fair value of $23,391 (CDN$26,007) for the finder's warrants was estimated using the Black-Scholes option pricing model and was charged to share issue costs and contributed surplus with the following assumptions: stock price – CDN$0.23; exercise price – CDN$0.25; expected risk-free interest rate – 1.13%; expected life – 2.0 years; expected volatility – 114% and expected dividend rate – 0%.

Stock options

The Company has granted stock options under the terms of its Stock Option Plan (the "Plan"). The Plan provides that the directors of the Company may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors of the Company may determine are within the limitations set forth in the Plan. The maximum number of shares available under the Plan is limited to 10% of the issued common shares. The maximum term of stock options is ten years. All stock options vest on the date of grant, unless otherwise stated.

The Company's stock options outstanding as at January 31, 2014 and April 30, 2013 and the changes for the periods then ended are as follows:

	Number Outstanding		Weighted Average Exercise Price
Balance at April 30, 2012	2,920,000	CDN$	0.42
Expired	(470,000)	CDN$	0.44
Balance at April 30, 2013	2,450,000	CDN$	0.42
Granted	2,310,000	CDN$	0.15
Cancelled	(700,000)[1]	CDN$	0.46
Balance outstanding at January 31, 2014	4,060,000	CDN$	0.26
Balance exercisable at January 31, 2014	3,450,000	CDN$	0.27

(Unaudited - Expressed in US dollars except where otherwise indicated)

Notes:
(1) The stock options were cancelled as they were to vest based on milestones associated with the Kelly's Basin Project. The Company adjusted its strategy to focus on developing the Bovill Kaolin Project.

The stock options vest on the date of grant or based on the completion of certain performance milestones.

The weighted average grant date fair value of stock options granted during the nine months ended January 31, 2014 of CDN$0.09 was estimated using the Black-Scholes option pricing model with the following assumptions: stock price – CDN$0.12; exercise price – CDN$0.15; expected risk-free interest rate – 1.63%; expected life – 5.0 years; expected volatility – 107% and expected dividend rate – 0%.

Expected volatility was determined by reference to the historical volatility of the Company's common shares trading on the TSX Venture Exchange. During the nine months ended January 31, 2014, an amount of $141,830 (2013 – $nil) was expensed and credited to contributed surplus.

Summary of stock options outstanding at January 31, 2014:

Security	Number Outstanding	Exercise Price	Expiry Date
Stock options	1,150,000	CDN$ 0.40	January 7, 2015
Stock options	100,000	CDN$ 0.40	February 15, 2015
Stock options	500,000	CDN$ 0.40	December 1, 2015
Stock options	1,400,000	CDN$ 0.10	July 30, 2018
Stock options	260,000	CDN$ 0.15	July 30, 2018
Stock options	300,000	CDN$ 0.25	July 30, 2018
Stock options	200,000	CDN$ 0.25	November 19, 2018
Stock options	150,000	CDN$ 0.25	January 8, 2019

The weighted average remaining contractual life of stock options outstanding at January 31, 2014 is 3.1 years (April 30, 2013 – 2.3 years).

Share purchase warrants

A summary of fully-exercisable share purchase warrants as at January 31, 2014 and April 30, 2013 and the changes for the periods then ended are as follows:

	Number Outstanding		Weighted Average Exercise Price
Balance at April 30, 2012	23,722,428	CDN$	0.39
Expired	(3,722,428)	CDN$	0.36
Balance at April 30, 2013	(1)20,000,000	CDN$	0.40
Issued	3,089,262	CDN$	0.29
Balance at January 31, 2014	23,089,262	CDN$	0.39

Notes:
(1) On April 29, 2013, the Company extended the life of 20,000,000 warrants from April 29, 2013 to April 29, 2016. This resulted in warrant modification expense of $233,385, crediting derivative liabilities, using the following assumptions: stock price – CDN$0.30; expected risk-free interest rate – 1.13%; expected life – 3.00 years; expected volatility – 93%; and expected dividend rate – 0%.

(Unaudited - Expressed in US dollars except where otherwise indicated)

Summary of warrants outstanding at January 31, 2014:

Security	Number Outstanding	Exercise Price	Expiry Date
Warrants	1,550,000	CDN$ 0.40	January 31, 2016
Warrants	200,000	CDN$ 0.25	January 31, 2016
Warrants	20,000,000	CDN$ 0.40	April 29, 2016
Warrants	667,520	CDN$ 0.14	December 1, 2016(1)
Warrants	122,142	CDN$ 0.14266	December 1, 2016(1)
Warrants	104,119	CDN$ 0.165	December 1, 2016(1)
Warrants	76,723	CDN$ 0.17	December 1, 2016(1)
Warrants	87,818	CDN$ 0.17223	December 1, 2016(1)
Warrants	111,762	CDN$ 0.185	December 1, 2016(1)
Warrants	74,414	CDN$ 0.28	December 1, 2016(1)
Warrants	94,764	CDN$ 0.23	December 1, 2016(1)

Notes:
(1) The warrants are exercisable until the earlier of December 1, 2016 or the date that the promissory note advance is repaid (Note 9).

Basic and diluted loss per share

During the nine months ended January 31, 2014 and 2013, potentially dilutive common shares totalling 27,149,262 (2013 ï 24,100,000) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

12. RELATED PARTY TRANSACTIONS:

During the three months ended January 31, 2014, management and consulting fees of $13,887 (2013 ï $15,063) were charged by directors or officers or companies controlled by them. A further $37,500 (2013 ï $37,500) in consulting fees were charged by directors and are included with mineral property deferred costs.

During the nine months ended January 31, 2014, management and consulting fees of $42,788 (2013 ï $44,917) were charged by directors or officers or companies controlled by them. A further $120,500 (2013 ï $112,500) in consulting fees were charged by directors and are included with mineral property deferred costs.

Included in accounts payable and accrued liabilities are amounts owed to directors or officers or companies controlled by them. As at January 31, 2014, the amount was $191,428 (April 30, 2013 ï $205,200). All amounts are non-interest bearing, unsecured, and due on demand.

The promissory notes received from a company controlled by a director during the nine months ended January 31, 2014 and the year ended April 30, 2013 (Notes 9 and 16) are related party transactions.

Key management includes the Chief Executive Officer and the directors of the Company. The compensation paid or payable to key management for services is as follows:

	Three months ended January 31,		Nine months ended January 31,	
	2014	2013	2014	2013
	$	$	$	$
Consulting fees	51,387	52,563	163,289	157,417
Share-based payments	37,957	-	112,375	-
	89,344	52,563	275,664	157,417

13. SEGMENT DISCLOSURES:

The Company considers its business to comprise a single operating segment, being exploration of resource properties, within the geographic area of the United States.

14. CONTIGENT LIABILITY:

On March 20, 2014, the Company announced that it had been served with a complaint by Robert Lemke (carrying on business as Hoodoo Resources, LLC) and the Brent Thomson Family Trust, each minority partners as to a 12.5% interest in Idaho Industrial Minerals, LLC (ñIIMò). Following preliminary review of the complaint by management and legal counsel, in addition to a separate declaratory action pending amongst the members of IIM, management believes that Thomson and Lemke are attempting to exercise derivative rights without the consent of the majority of the members of IIM and reject consideration paid to IIM with respect to the Companyõs Helmer-Bovill Property in January 2013 pursuant to an August 10, 2001 agreement, as amended, between the Company and IIM (the ñIIM Agreementò).

The IIM Agreement required the Company to deliver a total of 1.8 million shares to IIM for the Company to earn outright title to the mineral leases which comprise the Helmer-Bovill Property. The final tranche of 1.3 million shares was delivered to IIM on January 22, 2013. Thomson and Lemke allege they were deceitfully induced into signing the fourth amendment to the IIM Agreement. Thomson and Lemke are seeking specific performance in the return of the Helmer-Bovill Property (Note 6). Preliminary review by the Companyõs legal counsel can find no basis for a derivative rights action. The Company believes the probability of an economic outlay for this contingent liability is remote.

15. NON-CASH TRANSACTIONS:

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the nine months ended January 31, 2014, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

a) Deferred exploration expenditures of $143,636 included in accounts payable and accrued liabilities at January 31, 2014, less expenditures included in accounts payable at April 30, 2013 of $29,288 (net exclusion of $114,348);

b) The issuance by the Company of 2,277,341 common shares at the fair value of $221,426 pursuant to the settlement of Loans (Note 8) and accrued interest included in accounts payable and accrued liabilities; and,

c) The issuance by the Company of 200,000 finderõs warrants at the fair value of $23,391.

During the nine months ended January 31, 2013, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

a) Deferred exploration expenditures of $99,135 included in accounts payable and accrued liabilities at January 31, 2013, less expenditures included in accounts payable at April 30, 2012 of $122,662 (net inclusion of $23,527);

b) The issuance by the Company of 333,607 common shares at the fair value of $53,274 as payment of interest on the Convertible Loans; and,

c) The issuance by the Company of 1,300,000 common shares at the fair value of $176,676 pursuant to a mineral property agreement.

16. SUBSEQUENT EVENTS:

Subsequent to January 31, 2014:

a) The Company received an aggregate of $500,000 of Promissory Notes (Note 9).

b) On March 4, 2014, the Company settled $201,414 of interest payable on the Promissory Notes (Note 9) by the issuance of 1,001,112 common shares at a deemed price of CDN$0.2152 per common share.