I-Minerals Inc.

Consolidated Financial Statements
April 30, 2013 and 2012
(Expressed in US dollars)

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

INDEPENDENT AUDITOR'S REPORT

To the shareholders of I-Minerals Inc.

We have audited the accompanying financial statements of I-Minerals Inc. and its subsidiaries, which comprise the consolidated statement of financial position as at April 30, 2013 and 2012 and the consolidated statements of (loss) income and comprehensive (loss) income, cash flows and changes in equity for the years then ended, 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 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 presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit 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 I-Minerals Inc. and its subsidiaries as at April 30, 2013 and 2012 and its financial performance and its cash flows for the years then ended, 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 indicates that as of April 30, 2013, the Company had a working capital deficiency of $2,651,848 and had an accumulated deficit of $8,156,554. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

(signed) “BDO Canada LLP”

Chartered Accountants
August 26, 2013

I-Minerals Inc.

Consolidated Statements of Financial Position
As at April 30, 2013 and 2012

(Expressed in US dollars)

	Note	2013 $	2012 $
ASSETS			
Current assets			
Cash		43,196	9,441
Receivables and prepaids	5	49,369	139,583
		92,565	149,024
Equipment		19,648	27,216
Mineral property	6	11,600,943	10,212,720
Deposits		58,728	51,108
		11,771,884	10,440,068
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	528,422	476,276
Convertible loans	7	-	627,532
Demand loans	7	100,000	-
Loans	7	210,991	-
Warrant derivatives	8	-	107,325
Promissory notes	9	1,905,000	160,117
		2,744,413	1,371,250
Warrant derivatives	8	234,596	-
Deferred income tax liability	11	748,000	748,000
		3,727,009	2,119,250
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	10	14,756,503	13,884,344
Contributed surplus		1,444,926	1,444,926
Deficit		(8,156,554)	(7,008,452)
		8,044,875	8,320,818
		11,771,884	10,440,068

NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Notes 7 and 17)

On behalf of the Board

"Thomas M. Conway" Director   "W. Barry Girling" Director

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

I-Minerals Inc.

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
For the years ended April 30, 2013 and 2012

(Expressed in US dollars)

	Note	2013 $	2012 $
EXPENSES			
Accounting		33,726	42,494
Amortization		8,338	10,423
Management and consulting fees	12	127,499	79,129
Office, telephone and miscellaneous		127,150	134,965
Professional fees		277,669	164,236
Promotion and shareholder communication		53,117	181,719
Share-based payments	10	-	22,923
Transfer and regulatory fees		25,649	21,405
Warrant amendment expense		233,385	210,328
		(886,533)	(969,668)
Foreign exchange loss		(4,929)	(206,652)
Bonus shares issued as a financing expense	9	(146,952)	-
Interest on convertible loans	7	(76,176)	(100,646)
Interest on promissory notes	9	(100,496)	(1,400)
Interest and other income		1,398	54
Change in fair value of convertible loans	7	(40,528)	(10,746)
Change in fair value of warrant derivatives	8	106,114	2,908,976
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(1,148,102)	1,721,964
(Loss) earnings per share – basic and diluted		(0.02)	0.03
Weighted average number of shares outstanding		61,971,465	60,648,274

I-Minerals Inc.

Consolidated Statements of Cash Flows

For the years ended April 30, 2013 and 2012

(Expressed in US dollars)

	2013 $	2012 $
OPERATING ACTIVITIES		
Net (loss) income for the year	(1,148,102)	1,721,964
Items not involving cash:		
Amortization	8,338	10,423
Share-based payments	-	22,923
Warrant amendment expense	233,385	210,328
Foreign exchange loss	5,166	-
Bonus shares issued as a financing expense	146,952	-
Change in fair value of convertible loans	40,528	10,746
Change in fair value of warrant derivatives	(106,114)	(2,908,976)
	(819,847)	(932,592)
Change in non-cash operating working capital items:		
Receivables and prepaids	90,214	12,407
Accounts payable and accrued liabilities	331,289	(52,148)
Cash flows used in operating activities	(398,344)	(972,333)
INVESTING ACTIVITIES		
Deposits	(7,620)	-
Mineral property expenditures	(1,304,921)	(3,167,478)
Purchase of equipment	(770)	(23,892)
Cash flows used in investing activities	(1,313,311)	(3,191,370)
FINANCING ACTIVITIES		
Promissory notes received	1,759,181	160,117
Promissory notes repaid	(13,771)	-
Repayment of convertible notes	-	(222,075)
Cash flows from (used in) financing activities	1,745,410	(61,958)
INCREASE (DECREASE) IN CASH	33,755	(4,225,661)
CASH, BEGINNING OF THE YEAR	9,441	4,235,102
CASH, END OF THE YEAR	43,196	9,441
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	13,845	54,244
Taxes paid	-	-

Non-cash transactions (Note 16)

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

I-Minerals Inc.

Consolidated Statements of Changes in Equity
For the years ended April 30, 2013 and 2012

(Expressed in US dollars)

	Number of Shares #	Amount $	Contributed Surplus $	Accumulated Deficit $	Total Equity Attributable to Shareholders $
Balance at April 30, 2011	60,528,334	13,842,762	1,422,003	(8,730,416)	6,534,349
Issued during the year:					
Shares issued for interest payment	107,242	26,412	-	-	26,412
Shares issued pursuant to mineral property agreement	50,000	15,170	-	-	15,170
Share-based payments	-	-	22,923	-	22,923
Net income for the year	-	-	-	1,721,964	1,721,964
Balance at April 30, 2012	60,685,576	13,884,344	1,444,926	(7,008,452)	8,320,818
Issued during the year:					
Shares issued for interest payment	617,736	92,548	-	-	92,548
Shares issued to settle convertible notes	3,710,365	362,762	-	-	362,762
Shares issued to settle accounts payable	1,188,314	93,221	-	-	93,221
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 year	-	-	-	(1,148,102)	(1,148,102)
Balance at April 30, 2013	68,301,991	14,756,503	1,444,926	(8,156,554)	8,044,875

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". 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 April 30, 2013, the Company was still in the exploration stage and had not yet achieved profitable operations, had a working capital deficiency of $2,651,848, had an accumulated deficit of $8,156,554 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 director of the Company through promissory notes (Notes 9 and 17) and is reliant on the continuing support of its lenders whose facilities are repayable on demand.

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretation issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were approved by the board of directors for use on August 26, 2013.

Basis of consolidation

The consolidated financial statements include the results of the Company and its wholly-owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Details of subsidiaries are as follows:

		Percentage owned	
	Incorporated in	**April 30 2013**	**April 30, 2012**
i-minerals USA inc.	Idaho	100%	100%
CKD Ventures Ltd., Inc. (U.S.A.) (inactive)	Idaho	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Equipment

Equipment is carried at cost and is amortized over the estimated useful economic lives using the declining balance method at an annual rate of 30%.

Mining claims and deferred exploration costs

The Company records its interest in mineral properties and areas of geological interest at cost less option payments received and other recoveries. Exploration and development costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. Acquisition costs and deferred exploration and development costs will be amortized over the useful life of the orebody following attainment of commercial production or will be written-off if the property or project is abandoned.

Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as general exploration expense.

The Company is in the process of developing its mineral properties. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration and development results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values. The ultimate recovery of such capitalized costs is dependent upon the development of economic ore reserves or the sale of mineral rights.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any 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. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 income or 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined 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 income or loss.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through income or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development 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, along with a corresponding liability as soon as the legal or constructive obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value. These costs are charged against income or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in income or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in income or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Earnings per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Foreign currencies

The financial statements for the Company and each of its subsidiaries are prepared using their respective functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is US dollars. The functional currency of all companies in the group is US dollars.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income.

Income tax

Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, 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 tax payable with regards to previous periods.

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 Company does not provide for temporary differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. 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 balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off 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.

Equity

Common shares are classified as equity. Commissions paid to underwriters, professional fees, regulatory fees, and other costs that are directly attributable to the issuance of shares are charged to equity. Deferred financing costs represent costs incurred on incomplete financings which are expected to be subsequently completed. Financing costs incurred on failed financings are charged to expense.

Share-based payments

The Company has established a stock option plan for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates.

The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options and of stock options which vest immediately is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options and of options which vest in the future is recognized over the vesting period. Stock options granted to non-employees are measured at the fair value of the goods or services received on the vesting date. When the value of the goods or services received in exchange for the share-based payment cannot be reliability estimated, the fair value is measured by use of a valuation model. Prior to the vesting date, the current fair value of stock options granted to consultants is recognized from the date of grant to the reporting date.

Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

Unless otherwise noted, the following revised standards and amendments are effective for the Company for annual periods beginning on or after January 1, 2013 with earlier application permitted.

(i) 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 standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. Management has not yet assessed the impact of this standard, if any, on the Company's consolidated financial statements.

(ii) IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation - Special Purpose Entities* and parts of IAS 27, *Consolidated and Separate Financial Statements*. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(iii) IFRS 11, *Joint Arrangements*, 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 by Venturers*. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(iv) IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(v) IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure 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. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(vi) IAS 1, *Presentation of Financial Statements*, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

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 developing its mineral properties. The Company has identified probable reserves and is in the process of classifying the reserves as proven. 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 properties, and upon future profitable production or proceeds from the disposition or development of its mineral properties.

(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 mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties 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.

5. RECEIVABLES AND PREPAIDS:

	April 30, 2013 $	April 30, 2012 $
HST recoverable	6,813	30,942
Prepaid expenses	41,208	108,641
Accounts receivable	1,348	-
Total receivables and prepaids	49,369	139,583

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

The Company entered into a purchase and sale agreement with Idaho Industrial Minerals LLC ("IIM"), a company in which one of the Company's directors has a 25% interest, under which the Company had the right to acquire a 100% interest in 10 lease applications that comprise the Helmer-Bovill property by issuing to IIM a total of 1,750,000 shares of the Company. During fiscal 2009, 50,000 shares were issued in return for an extension of the agreement. During fiscal 2010, the terms of the agreement were further amended and the agreement was extended until August 2013. Under the terms of the amended agreement, the shares were to be issued based on certain development-based benchmarks being attained as follows:

- 100,000 shares upon assignment of the mineral lease applications to the Company (issued);
- 350,000 shares upon the State of Idaho issuing mineral leases to the Company (issued);
- 600,000 shares upon the completion of a feasibility study (issued); and,
- 700,000 shares upon completion of the permitting process necessary to construct and operate a mining facility (issued).

On January 21, 2013, the Company issued the final 1,300,000 shares to IIM at a fair value of $176,676, determined by reference to the trading price of the Company's shares on the transaction date. With the issuances of the final tranches of shares, the Company has now fulfilled all its obligations under the purchase and sale agreement with IIM.

During the year ended April 30, 2012, the Company acquired an undivided 100% interest in two State of Idaho mineral leases contiguous to the Helmer-Bovill Property. The Company paid $10,000 and issued 50,000 shares at the fair value of $15,170. The two State of Idaho mineral leases are subject to a 3% production royalty on gross sales.

Details of acquisition and exploration costs for the years ended April 30, 2013 and 2012 are as follows:

	Helmer-Bovill Property $
Balance, April 30, 2011	7,159,152
ACQUISITION COSTS	
Cash	10,000
Shares	15,170
	25,170
EXPLORATION COSTS	
Drilling	431,333
Engineering and consulting	1,253,304
Environmental	317,765
Field and survey	22,908
Marketing and research	265,098
Mineral analysis and processing	228,571
Permitting, licenses and fees	454,490
Project management	14,881
Travel	40,048
	3,028,398
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

7. CONVERTIBLE LOANS, DEMAND LOANS AND LOANS:

Summary of convertible loans, demand loans and loans as at April 30, 2013 and 2012 are as follows:

	2013 $	2012 $
Convertible Loans		
Tranche One	-	229,765
Tranche Two	-	183,615
Series B	-	214,152
Demand Loans	100,000	-
Loans	210,991	-
Total loans	310,991	627,532

Summary of loss on change in fair value of convertible loans during the years ended April 30, 2013 and 2012 is as follows:

	2013 $	2012 $
Tranche One	(20,235)	13,910
Tranche Two	(9,265)	(704)
Series B	(11,028)	(23,952)
Total loss on change in fair value of convertible loans	(40,528)	(10,746)

On June 30, 2009, the Company completed the first tranche of a non-brokered unsecured convertible loan financing, raising $250,000. On September 15, 2009, the Company completed the second tranche, raising $192,880. On January 29, 2010, the Company completed Series B, raising CDN$450,000 ($422,550) (collectively the “Convertible Loans”).

Interest is 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 Convertible Loans had a term of two years and were convertible into shares of the Company at the rate of one share per CDN$0.35 of principal outstanding, with exchange rates fixed at the dates of issuance. Accordingly, the first tranche, second tranche and Series B Convertible Loans were convertible into 830,565 shares, 599,006 shares and 1,285,714 shares, respectively.

During the year ended April 30, 2012, the Company extended the term of the Convertible Loans to January 29, 2013. Of the CDN$225,000 ($222,075) in Series B convertible loans extended, the conversion price was reduced to CDN$0.25 per share (900,000 shares). The remaining CDN$225,000 ($222,075) in Series B Convertible Loans were repaid in full. The conversion feature of the convertible loans expired on January 29, 2013 and the Convertible Loans became due on demand loans (the “Demand Loans”).

On completion of the Convertible Loans during the year ended April 30, 2010, the Company issued the holders share purchase warrants entitling the holder to acquire an additional share at a price of CDN$0.43. Accordingly, the first tranche, second tranche and Series B Convertible Loan holders were issued 830,565 share purchase warrants, 599,006 share purchase warrants and 1,285,714 share purchase warrants, respectively. Tranche one and tranche two share purchase warrants were exercisable for a period of one year and Series B share purchase warrants were exercisable for a period of two years. The warrants were detachable and could therefore be exercised prior to conversion of the Convertible Loans.

During the year ended April 30, 2011, the Company extended the life of the share purchase warrants attached to the tranche one and tranche two Convertible Loans by one year. During the year ended April 30, 2012, the Company extended the life of the share purchase warrants attached to the tranche one and tranche two Convertible Loans by an additional one year and half of the share purchase warrants attached to the Series B Convertible Loans for one year. Of the 642,857 share purchase warrants attached to the Series B Convertible Loans that were extended, the exercise price was reduced from CDN$0.43 per share to CDN$0.39 per share. During the year ended April 30, 2013, all of the share purchase warrants attached to the Convertible Loans expired unexercised.

The Convertible Loans were comprised of three components: the debt component, the conversion component, and the share purchase warrant component. The Company determined that the fair value of each component is not reliably measurable. As a result, the Company designated the Convertible Loans, including all components, as FVTPL financial liabilities.

On April 18, 2013, CDN$12,500 ($12,094) and $344,000 of the Demand Loans plus accrued interest of $6,668 were settled by the issuance of 3,710,365 shares at the aggregate fair value of CDN$371,037 ($362,762). CDN$212,500 of the Demand Loans were converted to Loans due April 1, 2014 with no change in other terms. $100,000 remained outstanding as Demand Loans at April 30, 2013. Subsequent to April 30, 2013, the Company repaid $100,000 of Demand Loans.

During the year ended April 30, 2013, the Company paid interest through the issuance of 617,736 common shares ($92,548) and $13,845 of cash. During the year ended April 30, 2012, the Company paid interest through the issuance of 107,242 common shares ($26,412) and $54,244 of cash. The fair value of the common shares was determined by reference to the twenty day weighted average share price on the interest due date.

At April 30, 2013, accounts payable and accrued liabilities included $9,330 (2012 - $46,215) of interest payable on the Convertible Loans, the Demand Loans and the Loans.

8. DERIVATIVE LIABILITIES:

Derivate liabilities are financial instruments classified as FVTPL financial liabilities.

	$
Balance, April 30, 2011	2,805,973
Warrant amendment expense	210,328
Change in fair value of warrant derivatives	(2,908,976)
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

Warrant Derivative Liabilities

At April 30, 2013 and 2012, the Company had 20,000,000 share purchase warrants exercisable into common shares at an exercise price denominated in Canadian dollars. As a variable amount of US dollars are exercisable into a fixed number of common shares, the share purchase warrants (the “Warrant Derivative Liabilities”) are classified as derivative liabilities. Share purchase warrants issued as compensation are treated as share-based payments, not financial instruments (derivatives).

During the year ended April 30, 2013, the Company recorded a gain related to the change in the fair value of the Warrant Derivative Liabilities of $106,114 (2012 – $2,908,976).

During the year ended April 30, 2013, the Company added $233,385 (2012 - $210,328) to Warrant Derivative Liabilities based on amending the terms of certain share purchase warrants (Note 10).

At April 30, 2013, the Company determined the fair value of Warrant Derivative Liabilities to be $234,596 (2012 - $107,325) as estimated using the Black-Scholes option pricing model with the following assumptions:

	2013	2012
Risk-free interest rate (%)	1.13	1.15
Expected life (years)	3.00	1.00
Expected volatility (%)	93	64
Expected dividends ($)	nil	nil

9. PROMISSORY NOTES:

	$
Balance, April 30, 2011	-
Proceeds from promissory notes	159,990
Unrealized foreign exchange loss	127
Balance, April 30, 2012	160,117
Proceeds from promissory notes	1,759,181
Repayment of promissory notes	(13,771)
Unrealized foreign exchange gain	(527)
Balance, April 30, 2013	1,905,000

During the year ended April 30, 2012, the Company received a $150,000 promissory note from a director of the Company. In addition, the Company received a CDN$10,000 ($9,990) promissory note from a director of the Company. The promissory notes were unsecured, bore interest at 12% per annum and were due on demand.

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 outlining the terms of the promissory notes. The promissory notes bear interest at the rate of 9.5% per annum and are 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.

At April 30, 2013, accounts payable and accrued liabilities included $101,896 (2012 - $1,400) of interest payable on the promissory notes.

10. SHARE CAPITAL:

Common shares

Authorized: 100,000,000 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.

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 April 30, 2013 and 2012 and the changes for the years then ended are as follows:

	Number Outstanding		Weighted Average Exercise Price
Balance at April 30, 2011	2,520,000	CDN$	0.41
Granted	700,000	CDN$	0.46
Forfeited	(300,000)	CDN$	0.40
Balance at April 30, 2012	2,920,000	CDN$	0.42
Expired	(470,000)	CDN$	0.44
Balance outstanding at April 30, 2013	2,450,000	CDN$	0.42
Balance exercisable at April 30, 2013	1,830,000	CDN$	0.40

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 year ended April 30, 2012 of CDN$0.16 was estimated using the Black-Scholes option pricing model with the following assumptions: stock price – CDN$0.39; expected risk-free interest rate – 1.98%; expected life – 5.0 years; expected volatility – 95% 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 year ended April 30, 2013, an amount of $nil (2012 - $22,923) was expensed and credited to contributed surplus.

Summary of stock options outstanding at April 30, 2013:

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	220,000	CDN$ 0.35	June 6, 2016
Stock options	170,000	CDN$ 0.45	June 6, 2016
Stock options	310,000	CDN$ 0.55	June 6, 2016

The weighted average remaining contractual life of stock options outstanding at April 30, 2013 is 2.3 years (2012 – 2.8 years).

Share purchase warrants

A summary of fully-exercisable share purchase warrants as at April 30, 2013 and 2012 and the changes for the years then ended are as follows:

	Number Outstanding		Weighted Average Exercise Price
Balance at April 30, 2011	33,968,481	CDN$	0.38
Expired	[1](10,246,053)	CDN$	0.37
Balance at April 30, 2012	23,722,428	CDN$	0.39
Expired	(3,722,428)	CDN$	0.36
Balance at April 30, 2013	[2]20,000,000	CDN$	0.40

Notes:

(1) On June 24, 2011, the Company extended the life of 8,270,000 share purchase warrants from July 29, 2011 to January 29, 2012. This resulted in warrant modification expense of $210,328, crediting derivative liabilities, using the following assumptions: stock price – CDN$0.30; expected risk-free interest rate – 0.98%; expected life –0.60 years; expected volatility – 55%; and expected dividend rate – 0%. The share purchase warrants expired unexercised on January 29, 2012.

(2) 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%.

At April 30, 2013, the Company had 20,000,000 share purchase warrants outstanding exercisable at CDN$0.40 per share on or before April 29, 2016.

Basic and diluted loss per share

During the years ended April 30, 2013 and 2012, potentially dilutive common shares totalling 22,450,000 (2012 – 28,714,856) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

11. INCOME TAXES:

A reconciliation of the income tax provision computed at statutory rates to the reported income tax provision for the years ended April 30, 2013 and 2012 is as follows:

	2013 $	2012 $
Statutory tax rate	25.00%	26.00%
Income before income taxes	(1,148,102)	1,721,964
Expected income tax expense (recovery)	(287,000)	448,000
Increase (decrease) in income tax expense resulting from:		
Non-deductible expenses	42,000	(637,000)
Effect of change in statutory tax rate	-	6,000
Other	(54,000)	12,000
Change in unrecognized deferred income tax assets	299,000	171,000
Income tax expense	-	-

The significant components of the Company's deferred income tax assets and liabilities after applying enacted corporate tax rates at April 30, 2013 and 2012 are as follows:

	2013 $	2012 $
Deferred income tax assets (liabilities)		
Operating losses carried forward	3,925,000	2,499,000
Resource property and deferred exploration	(2,040,000)	(924,000)
Share issuance costs	92,000	105,000
Other	5,000	3,000
Unrecognized deferred tax assets	(2,730,000)	(2,431,000)
Net deferred income tax liability	(748,000)	(748,000)

At April 30, 2013, the Company has accumulated non-capital losses totalling $4,004,000 (2012 - $3,168,000) in Canada and net operating losses of $8,354,000 (2012 - $5,021,000) in the USA, which are available to carryforward and offset future years' taxable income. The losses expire in various amounts from 2014 to 2033.

12. RELATED PARTY TRANSACTIONS:

During the year ended April 30, 2013, management and consulting fees of $59,666 (2012 - $63,257) were charged by directors or officers or companies controlled by them. A further $150,000 (2012 - $153,250) 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, an officer and a former director of the Company. As at April 30, 2013, the amount was $30,200 (2012 - $156,266). All amounts are non-interest bearing, unsecured, and due on demand.

The promissory notes received from directors during the years ended April 30, 2013 and 2012 (Notes 9 and 17) are related party transactions.

On February 13, 2013, the Company settled accounts payable and accrued liabilities due to the former Chief Executive Officer by making a cash payment of $30,000, issuing 1,188,314 common shares at the fair value of $93,221 and agreeing to pay $30,000 in six monthly payments beginning October 1, 2013.

Key management includes the Chief Executive Officer and the directors of the Company. The compensation paid or payable to key management for services during the years ended April 30, 2013 and 2012 is as follows:

	2013 $	2012 $
Consulting fees	209,666	216,507
Share-based payments	-	22,923
	209,666	239,430

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. COMMITMENTS AND CONTINGENCIES:

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The outcome of these contingencies is not determinable and such expense, if any, will be recognized in the periods during which they become likely.

15. FINANCIAL INSTRUMENTS:

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimizes the costs of capital as an acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders, demand loans, promissory notes as well as cash.

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 capital structure, the Company may attempt to issue shares, issue debt or acquire or dispose of assets.

The Company is dependent on the equity markets as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is dependent on raising further funds to fund its obligations as they come due. Management anticipates challenges in raising further equity financing should current economic conditions persist. State-sponsored debt financing instruments may be available and the Company intends to pursue such funding to cover the bulk of the capital costs associated with placing the Helmer-Bovill Property into production.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

During the year ended April 30, 2013, the Company made no changes to its policies for managing capital.

The Company is not subject to any capital requirements imposed by a regulator or other third party, other than continued listing requirements of the TSX Venture Exchange.

Classification of Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, demand loans, loans, promissory notes and warrant derivatives. The Company designated its cash and receivables as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities, demand loans, loans and promissory notes are designated as other financial liabilities, which are measured at amortized cost. Warrant derivatives are designated as FVTPL financial liabilities, which are measured at fair value.

Fair Value of Financial Instruments

The Company classifies fair values of financial instruments within a three-level hierarchy that prioritizes the inputs to fair value measurement and reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. As at April 30, 2013, the Company's financial instruments which are measured at fair value on a recurring basis are warrant derivatives, classified as "Level 3".

Discussions of risks associated with financial assets and liabilities are detailed below:

a) Currency risk

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in Canada. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

The following table reflects the face value of the Company's currency exposure at April 30, 2013:

	Canadian dollar	US dollars
Financial Assets		
Cash	3,716	39,506
Receivables	-	1,348
	3,716	40,854
Financial Liabilities		
Accounts payable and accrued liabilities	116,932	411,713
Demand loans	-	100,000
Loans	212,500	-
Promissory notes	-	1,905,000
	329,432	2,416,713

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations. A five percent change in the value of the Canadian dollar as compared to the US dollar would give rise to a gain/loss of approximately $16,000.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its commercial obligations.

The Company's cash is held primarily through large Canadian and US banks and accordingly, the Company's exposure to credit risk is considered to be limited.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is subject to a variable interest rate. The Company's interest rate on its demand loans, loans and promissory notes are at fixed rates and therefore represent no interest rate risk to the Company.

d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. At April 30, 2013 and 2012, the Company had working capital (deficiencies) as follows:

	2013 $	2012 $
Current assets	92,565	149,024
Current liabilities	(2,744,413)	(1,371,250)
Working capital (deficiency)	(2,651,848)	(1,222,226)

The ability of the Company to eliminate its working capital deficiency is dependent upon its ability to secure additional equity or other financing and the continued support of the lenders given loans are due on demand.

16. 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 year ended April 30, 2013, the following transactions were excluded from the consolidated statement of cash flows:

a) Deferred exploration expenditures of $29,288 included in accounts payable and accrued liabilities at April 30, 2013, less expenditures included in accounts payable at April 30, 2012 of $122,662 (net inclusion of $93,374);

b) The issuance by the Company of 617,736 common shares at the fair value of $92,548 as payment of interest on the Convertible Loans;

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 (Note 6);

d) The issuance by the Company of 3,710,365 common shares at the fair value of $362,762 pursuant to the settlement of Demand Loans; and,

e) The issuance by the Company of 1,188,314 common shares at the fair value of $93,221 pursuant to the settlement of accounts payable and accrued liabilities (Note 12).

During the year ended April 30, 2012, the following transactions were excluded from the consolidated statement of cash flows:

a) Deferred exploration expenditures of $122,662 included in accounts payable and accrued liabilities at April 30, 2012, less expenditures included in accounts payable at April 30, 2011 of $251,742 (net inclusion of $129,080);

b) The issuance by the Company of 107,242 common shares at the fair value of $26,412 as payment of interest on the Convertible Loans; and,

c) The issuance by the Company of 50,000 common shares at the fair value of $15,170 pursuant to a mineral property agreement (Note 6).

17. SUBSEQUENT EVENTS:

Subsequent to April 30, 2013:

a) The Company received an aggregate of $645,000 of promissory notes from a director of the Company. The promissory notes bear interest at the rate of 9.5% per annum and are unsecured and due on demand. Terms of these promissory notes are identical to the promissory notes described in Note 9.

b) On July 30, 2013, the Company granted an aggregate of 1,960,000 stock options to various directors, officers, employees and consultants of the Company. Of the stock options granted, 1,400,000 have an exercise price of $0.10 per share, 260,000 have an exercise price of $0.15 per share and 300,000 have an exercise price of $0.25 per share. All stock options granted are exercisable up to July 30, 2018.

c) The Company repaid $100,000 of Demand Loans (Note 7).