RUGBY MINING LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended February 28, 2014 and 2013
(Expressed in Canadian Dollars)

June 20, 2014

Independent Auditor's Report

To the Shareholders of Rugby Mining Limited

We have audited the accompanying consolidated financial statements of Rugby Mining Limited, which comprise the consolidated statements of financial position as at February 28, 2014 and February 28, 2013 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rugby Mining Limited as at February 28, 2014 and February 28, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

			February 28, 2014		February 28, 2013
Assets					
Current					
Cash and cash equivalents		**$**	**2,995,819**	$	5,102,961
Amounts receivable and prepaids			**57,661**		35,277
Exploration advances			**-**		89,470
			3,053,480		5,227,708
Property and equipment	(Note 8)		**-**		30,756
Mineral properties	(Note 7)		**108,201**		-
		$	**3,161,681**	$	5,258,464
Liabilities					
Current					
Accounts payable and accrued liabilities		**$**	**75,225**	$	126,869
Due to related parties	(Note 12)		**33,649**		160,323
			108,874		287,192
Shareholders' Equity					
Share capital	(Note 9)		**15,238,612**		15,238,612
Contributed surplus			**5,141,135**		4,915,837
Deficit			**(17,331,168)**		(15,195,821)
Accumulated other comprehensive income			**4,228**		12,644
			3,052,807		4,971,272
		$	**3,161,681**	$	5,258,464

Nature of operations (Note 1)
Basis of presentation (Note 2)
Subsequent event (Note 17)

Approved on behalf of the Board on June 20, 2014:

"Paul Joyce"

Paul Joyce, Director

"Yale Simpson"

Yale Simpson, Director

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

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended,		**February 28, 2014**	February 28, 2013
Income			
Interest income		**$ 47,404**	$ 33,756
Expenses			
Accounting and audit		**147,501**	120,958
Administrative	(Note 10)	**598,099**	870,584
Amortization	(Note 8)	**6,614**	10,971
Bank charges		**10,740**	13,870
Directors' fees	(Note 10)	**2,664**	465,549
Foreign exchange (gain)		**411**	(3,688)
Insurance		**36,105**	32,913
Professional fees		**11,355**	38,279
Mineral property exploration expenditures	(Notes 7 and 10)	**1,277,726**	1,868,916
Shareholder communications		**17,902**	17,322
Stock exchange and filing fees		**7,515**	8,102
Transfer agent		**4,874**	7,129
Travel		**32,032**	30,730
		2,153,538	3,481,635
Loss before other items		**2,106,134**	3,447,879
Other items			
Loss on disposition (Note 5)		**5,071**	-
Write-down of property and equipment (Note 8)		**24,142**	-
Loss for the year		**$ 2,135,347**	$ 3,447,879
Other comprehensive income for the year			
Items that may be reclassified to profit or loss:			
Currency translation adjustment		**8,416**	(3,293)
Comprehensive loss for the year		**$ 2,143,763**	$ 3,444,586
Basic and diluted loss per common share		**$ 0.05**	$ 0.09
Weighted average number of common shares outstanding		**46,035,000**	36,377,619

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

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended,		**February 28, 2014**	February 28, 2013
Operating Activities			
Net loss for the year		**$ (2,135,347)**	$ (3,447,879)
Items not requiring an outlay of cash:			
Amortization	(Note 8)	**6,614**	10,971
Share-based payments	(Note 10)	**225,298**	971,885
Loss on disposition		**5,071**	-
Write-down of property and equipment		**24,142**	-
		(1,874,222)	(2,465,023)
Changes in non-cash working capital			
Amounts receivable and prepaids		**43,926**	27,296
Due from related party		**-**	6,415
Accounts payable and accrued liabilities		**(38,023)**	(228,468)
Due to related parties		**(126,674)**	88,996
Cash flows from operating activities		**(1,994,993)**	(2,570,784)
Financing Activities			
Issue of share capital for cash	(Note 9)	**-**	3,400,500
Share issue costs		**-**	(53,357)
Cash flows from financing activities		**-**	3,347,143
Investing Activities			
Acquisition of mineral properties	(Note 7)	**(110,523)**	-
Disposition of a subsidiary	(Note 5)	**4,468**	-
Cash flows from investing activities		**(106,055)**	-
Effect of foreign exchange rate change on cash and cash equivalents		**(6,094)**	380
Net increase (decrease) in cash and cash equivalents		**(2,107,142)**	776,739
Cash and cash equivalents - beginning of year		**5,102,961**	4,326,222
Cash and cash equivalents - end of year		**$ 2,995,819**	$ 5,102,961

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

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued Share Capital					
	Number of Shares	Amount	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at February 29, 2012	**34,700,000**	**$ 11,617,706**	**$ 4,217,715**	**$ (11,747,942)**	**$ 9,351**	**$ 4,096,830**
- Equity financing net of share issue costs	10,000,000	2,946,643	-	-	-	2,946,643
- Exercise of options	1,335,000	400,500	-	-	-	400,500
- Contributed surplus allocated on exercise of options		273,763	(273,763)	-	-	-
- Share-based payments recognized	-	-	971,885	-	-	971,885
- Other comprehensive income	-	-	-	-	3,293	3,293
- Net loss for the year	-	-	-	(3,447,879)	-	(3,447,879)
Balance at February 28, 2013	**46,035,000**	**$ 15,238,612**	**$ 4,915,837**	**$ (15,195,821)**	**$ 12,644**	**$ 4,971,272**
- Share-based payments recognized	-	-	225,298	-	-	225,298
- Other comprehensive loss	-	-	-	-	(8,416)	(8,416)
- Net loss for the year	-	-	-	(2,135,347)	-	(2,135,347)
Balance at February 28, 2014	**46,035,000**	**$ 15,238,612**	**$ 5,141,135**	**$ (17,331,168)**	**$ 4,228**	**$ 3,052,807**

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

1. Nature of Operations

Rugby Mining Limited ("Rugby" or the "Company") is an exploration stage company incorporated under the laws of British Columbia, Canada and together with its subsidiaries, it is engaged in the acquisition and exploration of mineral properties located in Australia, Colombia and the Philippines.

The Company is in the process of exploring its mineral properties. The continued operations of the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of such properties, and the profitable production from or disposition of such properties.

The Company has its primary listing on the TSX Venture Exchange (the "TSX-V"). The Company's head office is located at 1660 - 999 West Hastings Street, Vancouver, BC, Canada, V6C 2W2.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through profit or loss. These consolidated financial statements were approved and authorized by the Audit Committee of the Board of Directors for issue on June 20, 2014.

3. Changes in Accounting Policy and Disclosures

New and Amended Standards Adopted by the Company

As of January 1, 2013, the Company adopted the new and amended IFRS pronouncements in accordance with the transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

IFRS 10 – Consolidated Financial Statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated. IFRS 10 sets out three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investors' return; and the requirements on how to apply the control principle. IFRS 10 replaces SIC-12, Consolidation – Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements

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

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, including subsidiaries, joint arrangements, associates, and special purpose vehicles.

3. Changes in Accounting Policy and Disclosures (Continued)

New and Amended Standards Adopted by the Company (Continued)

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes additional disclosures regarding fair value measurements.

Amendments to IAS 1 - Presentation of Financial Statements

The amendments to IAS 1 require items to be grouped within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified. This disclosure requirement has been reflected in the Company's statement of comprehensive income.

New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2014, and have not been applied in preparing these consolidated financial statements.

The following new standards and amendments are expected to affect the future consolidated financial statements of the Company:

- The IASB has issued IFRS 9 - Financial Instruments ("IFRS 9") which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

- The IASB issued IFRIC 21 - Levies ("IFRIC 21"), an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past activity or event ("obligating event") described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact of the adoption of this interpretation on its consolidated financial statements.

- The IASB issued amendments to IAS 36 - Impairment of Assets ("amendments to IAS 36"). The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit ("CGU") to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

4. Summary of Significant Accounting Policies, Judgements and Estimation Uncertainty

a) Basis of Presentation

These consolidated financial statements include the accounts of the following significant subsidiaries:

	Country of Incorporation	Percentage of Ownership
Volador Holdings (“Volador”)	Colombia	100%
Volador Colombia S.A.S. (“Volador S.A.S.”)	Colombia	100%
Wallaby Corporation (“Wallaby”)	Philippines	100%
Compañía Rugby Argentina* (“Rugby Argentina”)	Argentina	100%

*Rugby Argentina was sold on September 16, 2013 for a nominal amount and the Company has no further interests in Argentina (Note 5).

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

b) Mineral Property Exploration and Acquisition Expenditures

The Company expenses mineral property exploration expenditures when incurred. When it has established that a mineral deposit is commercially mineable and following a decision to commence development, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized and will be amortized against production following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

Mineral property acquisition costs are initially capitalized when incurred. The Company assesses the carrying costs for impairment. Impairment losses, if any, are measured as the excess of the carrying amount of the mineral property over its estimated fair value. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

c) Cash and Cash Equivalents

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with an initial term to maturity of 90 days or less.

d) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share has not been presented separately as the effect of common shares issuable on the exercise of stock options and share purchase warrants would be anti-dilutive.

e) Share-based Compensation

The Company has adopted an incentive stock option plan. Stock options expire after 5 or 10 years and normally vest over a period of 1 to 2 years (50 - 100% per year) or when certain milestones are met. All share-based awards are measured and recognized using the fair-value method as determined by the Black-Scholes option pricing model. Awards that the Company has the ability to settle with stock are recorded as equity. Share-based compensation expense is recognized over the tranche’s vesting period, in earnings or capitalized as appropriate, based on the number of options expected to vest.

4. Summary of Significant Accounting Policies, Judgements and Estimation Uncertainty (Continued)

f) Income Taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in OCI or directly in equity, in which case it is recognized in OCI or in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Translation of Foreign Currencies

(i) Presentation currency

The consolidated financial statements are presented in Canadian dollars.

(ii) Functional currency

The financial statements of each entity in the Company group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”).

The functional currency of the parent company is the Canadian dollar and the functional currency of the Company’s former Argentine subsidiary, Rugby Argentina, is the Argentine Peso; its Philippine subsidiary, Wallaby, is the Philippine Peso; and its Colombian subsidiaries, Volador and Volador S.A.S., is the Colombian Peso. The financial statements of these subsidiaries (“foreign operations”) are translated into the Canadian dollar presentation currency as follows:

- Assets and liabilities – at the closing rate at the date of the statement of financial position.
- Income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates).
- All resulting changes are recognized in Other Comprehensive Income (“OCI”) as cumulative translation adjustments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from conversion of the item from functional to reporting currency are considered to form part of the net investment in the foreign operation and are recognized in OCI.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reallocated between controlling and non-controlling interests.

4. Summary of Significant Accounting Policies, Judgements and Estimation Uncertainty (Continued)

g) Translation of Foreign Currencies (Continued)

(iii) Transactions and balances
Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the statement of income.

h) Property and Equipment

The Company capitalizes its Mineral Property acquisitions. Property and equipment are carried at cost less accumulated amortization. Cost includes expenditures that are directly attributable to the acquisition of the asset. Amortization is calculated at the following annual rates:

Computer equipment	Declining balance	- 30%
Office equipment	Declining balance	- 20%
Website	Declining balance	- 30%
Leasehold improvements	Straight-line	- 5 years (term of lease)

i) Use of Estimates and Judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas of estimates include assumptions used in the accounting for share-based compensation, amortization rates, and contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

j) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

- Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of cash, accounts receivable, and due from related party, and are included in current assets due to their short-term nature.

  Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

4. Summary of Significant Accounting Policies, Judgements and Estimation Uncertainty (Continued)

j) Financial Instruments (Continued)

- Financial liabilities at amortized cost: Financial liabilities at amortized cost include accounts payable and accrued liabilities and amounts due to related parties. Accounts payables are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Financial liabilities are classified as current liabilities as payment is due within twelve months.

k) Segmented Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief-operating decision maker. The chief operating decision-makers responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management team, who are tasked with making strategic decisions.

5. Disposition of a Subsidiary

On September 16, 2013, the Company sold its subsidiary in Argentina, Rugby Argentina, for a nominal amount as the Company has no further interests in Argentina.

These consolidated financial statements include the results of operations of Rugby Argentina to the date of the disposition on September 16, 2013. The Company de-recognized the assets and liabilities of Rugby Argentina as of September 16, 2013 resulting in a loss on disposition of $5,071.

		September 16, 2013
Cash and cash equivalents	$	(4,468)
Amounts receivable and prepaids		23,160
Accounts payable and accrued liabilities		(13,621)
Net assets at the date of disposition	$	5,071
Net loss on de-recognition of net assets	$	(5,071)

6. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

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

In order to maximize ongoing development efforts, the Company does not pay dividends.

The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes, investment savings accounts or money market funds with high quality financial institutions in Canada and treasury bills, selected with regards to the expected timing of expenditures from continuing operations.

7. Mineral Property Exploration Expenditures

The tables below show the Company's project exploration and evaluation expenditures for the years ended February 28, 2014 and February 28, 2013.

	Year ended February 28, 2014					
	Generative & Other*	Cobrasco	Comita	Mabuhay	Hawkwood	Total
Assays	$ 705	$ -	$ -	$ -	$ -	$ 705
Environmental and socialization	16,889	123,744	-	-	-	140,633
Field camp	1,742	-	-	14,644	21	16,407
Geological***	134,874	218,637	125,606	39,343	8,437	526,897
IVA	2,729	-	-	-	-	2,729
Legal	16,490	64,138	14,771	29,005	4,914	129,318
Office operations***	(6,115)	165,873	23,370	7,448	-	190,576
Option and cannon fees	11,738	-	16,095	-	11,042	38,875
Travel	22,347	51,957	7,345	22,028	21,084	124,761
Wages and benefits	-	40,220	15,829	50,776	-	106,825
Exploration and evaluation costs	$ 201,399	$ 664,569	$ 203,016	$ 163,244	$ 45,498	$ 1,277,726
Cumulative exploration and evaluation costs**	$ 2,248,700	$ 664,569	$ 2,145,966	$ 2,187,285	$ 1,095,693	$ 8,342,213

* Includes expenditures related to Argentina to the date of disposition on September 16, 2013.
** The cumulative exploration and evaluation costs do not include previous expenditure on the relinquished Argentine projects including Interceptor.
*** Includes share based compensation as reflected below:

	Year ended February 28, 2014					
	Generative & Other	Cobrasco	Comita	Mabuhay	Hawkwood	Total
Geological	$ -	$ 5,347	$ -	$ -	$ -	$ 5,347
Office operations	-	-	8,469	-	-	8,469
Total	$ -	$ 5,347	$ 8,469	$ -	$ -	$ 13,816

	Year ended February 28, 2013					
	Generative	Comita	Mabuhay	Hawkwood	Interceptor*	Total
Assays	$ 7,271	$ -	$ -	$ -	$ 10,654	$ 17,925
Drilling	30,904	-		-	79,412	110,316
Field camp	17,810	-	29,615	9,682	11,602	68,709
Environmental	5,000	43,455	3,295	564	1,078	53,392
Geological**	260,236	254,007	106,514	3,838	91,242	715,837
IVA	-	-	-	-	33,655	33,655
Legal	24,357	61,308	8,527	3,830	22,279	120,301
Office operations**	142,419	70,208	9,217	-	68,047	289,891
Option fee	85,960	-	-	-	-	85,960
Travel	80,840	46,317	37,022	12,418	22,547	199,144
Wages and benefits	-	92,084	80,761	-	941	173,786
Exploration and evaluation costs	$ 654,797	$ 567,379	$ 274,951	$ 30,332	$ 341,457	$ 1,868,916
Cumulative exploration and evaluation costs	$ 2,047,301	$ 1,942,950	$ 2,024,041	$ 1,050,195	$ 1,852,041	$ 8,916,528

* On February 28, 2013 the Company provided notice to the optioner, and relinquished the Interceptor property.
** Includes share based compensation as reflected below:

	Year ended February 28, 2013					
	Generative	Comita	Mabuhay	Hawkwood	Interceptor*	Total
Geological	$ -	$ 18,250	$ 20,475	$ -	$ 15,816	$ 54,541
Office operations	-	22,926	-	-	42,587	65,513
Total	$ -	$ 41,176	$ 20,475	$ -	$ 58,403	$ 120,054

7. Mineral Property Exploration Expenditures (Continued)

Cobrasco Porphyry Copper Project, Colombia

The Cobrasco concession, which is subject to a 1% net smelter royalty ("NSR"), was acquired in an arm's length transaction at a cost of $110,523 (please see Note 8 below).

Comita Porphyry Copper Project, Colombia

On October 12, 2010, the Company announced it had entered into an option agreement (the "Comita Agreement") over Comita, granting the Company the right to earn up to a 60% indirect interest in the project. The Comita Agreement provides that the mineral title at Comita will be transferred to a new Colombian entity ("Newco") and grants the Company the right to earn an initial 40% interest in Newco upon completion of certain exploration activities and incurring expenditure commitments, with a further option to earn an additional 20% interest, for a total interest of 60% in Newco.

On May 6, 2014, the Company along with the Comita concession holder, amended its Option Agreement over the Comita project such that the dates to meet the expenditure and drilling requirements have been extended (please see subsequent event Note 17 below for more details). Under the modified terms of the Comita Agreement, the Company can earn the 60% interest in Newco (an effective 60% indirect interest in the Comita project) if it completes the obligations set out in the two options as follows:

Option 1: The Company has until October 20, 2018 to acquire an indirect 40% interest in the Comita project by incurring US$10.0 million in exploration expenditures which include at least 10,000 m of drilling as follows:

(i) US$250,000 on or before October 21, 2011, the first anniversary date of the agreement (incurred).

(ii) Thereafter the Company has the option, but not the obligation to incur US$9.75 million with minimum annual expenditures of US$250,000 (minimum yearly expenditure requirements have been met to date) until such time as the Comita project is removed from the forestry reserve, following which the minimum annual expenditure increases to US$1.0 million.

Excess expenditure in any given year may be carried forward to the next year, however such carry forward is limited to US$1.0 million at the end of Option 1. Upon incurring the expenditures set out above, the Company is required to provide the title holder with notice that it has met the requirements to acquire the initial 40% interest in Newco following which the title holder has 90 days to elect to resume management of the Comita project. In the event that the title holder elects to resume management of the Comita project, a joint venture will be formed and dilution provisions will apply. Should the title holder elect not to resume management of the Comita project, the Company will be granted a second option to acquire a further 20% interest in Newco as set out below:

Option 2: Upon the Company being granted the second option it will have 3 years to acquire an additional 20% interest in Newco for a total 60% indirect interest in the project by incurring an additional US$15.0 million in expenditures, including 20,000 m of drilling with minimum annual expenditures of US$1.0 million on or before October 20, 2021.

7. Mineral Property Exploration Expenditures (Continued)

Mabuhay Gold Project, Philippines

On October 5, 2010, the Company announced it had entered into agreements with Pelican Resources Limited ("Pelican"), an ASX listed company, and All-Acacia Resources Inc. ("All-Acacia"), a Philippine company over the Mabuhay project in the Philippines. The agreement with Pelican and its Philippine subsidiary, SunPacific Resources Philippines, Inc. ("SunPacific"), together with the agreement with All-Acacia (collectively, the "Mabuhay Agreement") grant the Company the right and option ("Mabuhay Option") to earn an 80% interest in the Mabuhay project.

The Company paid Pelican a signature fee of US$20,000 and US$50,000 to All-Acacia under the original terms of the Mabuhay Agreement.

As a result of a Philippine government moratorium on the granting of new Mineral Production Sharing Agreements ("MPSA") pending legislation enacting a revised revenue sharing scheme, the Company along with All-Acacia signed an amended Mabuhay Agreement (the "Amended Mabuhay Agreement") to allow for the conversion of the MPSA Application to an Exploration Permit Application ("EPA") as it is anticipated that an Exploration Permit ("EP") will be granted by the Philippine government earlier than an MPSA. An EP would allow the Company to conduct drilling at Mabuhay. An EPA was submitted to the government in March 2013 and all future payments as defined in the Amended Mabuhay Agreement have been deferred until the EP is approved by the federal authorities.

Under the Amended Mabuhay Agreement, in order to maintain its option, the Company is required to make staged payments to Pelican and All-Acacia totaling US$750,000 over three years from the grant date of the EP, incur staged expenditures totaling US$4.5 million over six years from the grant date of the EP, and complete a pre-feasibility study to earn its interest and exercise its Mabuhay Option.

In the event that the Company exercises the Mabuhay Option, it will be required to make an additional US$175,000 payment to All-Acacia within 30 days from the grant and registration with the appropriate Mines and Geosciences Bureau Regional Office of the appropriate mineral agreement (MPSA or Financial and Technical Assistance Agreement) on the property, and Pelican will be paid a further US$5.0 million if commercial production commences at Mabuhay.

Upon the exercise of the Mabuhay Option, All-Acacia and the Company have agreed to form a joint venture with respect to the development of and conduct of mining operations on the property and on each anniversary date thereafter, the Company must pay an additional US$200,000 to All-Acacia towards All-Acacia's pro-rata share of expenditures until commencement of production from the Mabuhay project.

Interceptor Gold Copper Project, Argentina

On November 23, 2010, the Company entered into an option agreement (the "Interceptor Agreement") to acquire 100% of the Interceptor porphyry gold copper project in Catamarca Province, Argentina. The Interceptor Agreement granted the Company a 6 year option to acquire 100% of certain titles. The Company made option payments totaling US$100,000 and incurred mineral property exploration expenditures of $1,748,726.

On February 28, 2013 the Company provided notice to the optioner, and relinquished the Interceptor property.

The Zonda Gold Copper Project, Argentina

On November 28, 2011, the Company announced it had entered into an option agreement to acquire 100% of the Zonda gold-copper porphyry project ("Zonda") in the San Juan Province, Argentina. The Zonda Agreement granted the Company a 6 year option to acquire 100% of the Zonda project. Under the Zonda Agreement the Company paid signature fees and option payments totaling US$100,000.

On February 28, 2013 the Company provided notice to the optioner, and relinquished the Zonda property.

7. Mineral Property Exploration Expenditures (Continued)

Hawkwood Property, Australia

Pursuant to agreements dated July 10, 2008 and December 2, 2008 between Sunland Properties Limited ("Sunland") and Rowen Company Limited ("Rowen") a company controlled by Bryce Roxburgh, a director of the Company, and subsequent amendments dated December 31, 2009, the Company has the option (the "Hawkwood Option") to acquire up to 90% of the issued and outstanding shares of Sunland. Sunland's wholly owned subsidiary, Rugby Mining Pty. Ltd., owns the Hawkwood property in Queensland Australia.

Under the Hawkwood Option, the Company paid to Rowen A$25,000 as a non-refundable deposit and a further A$200,000 to repay a portion of a loan advanced to Sunland by Rowen. In addition, pursuant to the amendment dated December 31, 2009, the Company issued 1.5 million common shares with a fair value of $615,000 to Rowen (issued on June 5, 2010), and is required to incur exploration expenditures*, at its option, as follows:.

(i) In order to acquire an initial 60% interest in Sunland:
A$300,000 by December 31, 2010 (completed)
A$200,000 by December 31, 2011 (completed)
A$500,000 by December 31, 2013 (completed);

The Company must provide written formal notice to Rowen of its intention to exercise the option to acquire the initial 60% interest above (please see Note 17 below).

(ii) In order to exercise the option to acquire an additional 30% interest in Sunland, the Company must incur an additional A$3.0 million in expenditures* on the property for a total of A$4.0 million before December 31, 2017, and issue an additional 3 million common shares to Rowen (please see Note 17 below).

* Eligible expenditures under the Hawkwood Option include expenditures incurred by the Company and Eastern Iron Limited ("Eastern Iron"), under their agreement with Rugby Pty Limited (see Eastern Iron Joint Venture Agreement, Australia).

Part of the Hawkwood property is subject to a 2% NSR payable to Newcrest Operations Limited ("Newcrest").

Eastern Iron Joint Venture Agreement, Australia

The Company entered into an agreement (the "Eastern Agreement") dated January 13, 2010 between Eastern Iron Limited ("Eastern Iron") and Rugby Mining Pty. Ltd. with respect to certain portions of exploration permits 15289 and 17099 (the "Exploration Area") which comprises a part of the Company's Hawkwood project. Under the terms of the Eastern Agreement, Eastern Iron can earn a 50% interest in the Exploration Area by funding an A$200,000 work program by February 10, 2011 (completed) and thereafter incurring an additional A$500,000 in exploration expenditures by February 10, 2013 (completed) ("Phase One"). Eastern Iron can increase its interest in the Exploration Area to 80% by incurring an additional A$3.6 million in expenditures and completing a bankable feasibility study by February 10, 2018 ("Phase Two") (please see Note 17 below).

Exploration permit 15289 is subject to a 2% NSR held by Newcrest. Eastern Iron is required to incur expenditures and complete a bankable feasibility study to earn its interest, at its option, as follows (please see subsequent event Note 17 below):

Phase One
(i) A$200,000 minimum commitment by February 10, 2011 (completed)
(ii) A$200,000 by February 10, 2012; (completed) and
(iii) additional A$300,000 by February 10, 2013 (completed),
for total Phase One expenditures of A$700,000.

7. Mineral Property Exploration Expenditures (Continued)

Phase Two

(i) additional A$300,000 by February 10, 2014 (please see subsequent event Note 17 below)
(ii) additional A$300,000 by February 10, 2015
(iii) additional A$1.0 million by February 10, 2016
(iv) additional A$1.0 million by February 10, 2017 and
(v) additional A$1.0 million by February 10, 2018,

for total Phase Two expenditures of A$3.6 million and cumulative expenditures of A$4.3 million.

8. Property and Equipment

A) Property

	Cobrasco
Cost	
As at March 1, 2013	$ -
Additions	110,523
Effect of movements in exchange rates	(2,322)
Balance as at February 28, 2014	$ 108,201

B) Equipment

	Computer equipment	**Website**	**Leasehold improvements**	**Office equipment & furniture**	**Total**
Cost					
As at March 1, 2012	$ 20,705	$ 7,260	$ 15,467	$ 12,551	$ 55,983
Additions	-	-	-	-	-
Balance as at February 28, 2013	$ 20,705	$ 7,260	$ 15,467	$ 12,551	$ 55,983
Depreciation					
As at March 1, 2012	$ (5,790)	$ (2,940)	$ (3,510)	$ (2,016)	$ (14,256)
Charged for the year	(4,474)	(1,296)	(3,094)	(2,107)	(10,971)
Balance as at February 28, 2013	$ (10,264)	$ (4,236)	$ (6,604)	$ (4,123)	$ (25,227)
Net carrying value					
As at March 1, 2012	$ 14,915	$ 4,320	$ 11,957	$ 10,535	$ 41,727
As at February 28, 2013	$ 10,441	$ 3,024	$ 8,863	$ 8,428	$ 30,756
Cost					
As at March 1, 2013	$ 20,705	$ 7,260	$ 15,467	$ 12,551	$ 55,983
Additions	-	-	-	-	-
Write off	(20,705)	(7,260)	(15,467)	(12,551)	(55,983)
Balance as at February 28, 2014	$ -	$ -	$ -	$ -	$ -
Depreciation					
As at March 1, 2013	$ (10,264)	$ (4,236)	$ (6,604)	$ (4,123)	$ (25,227)
Charged for the year	(2,349)	(680)	(2,320)	(1,265)	(6,614)
Assets written off	12,613	4,916	8,924	5,388	31,841
Balance as at February 28, 2014	$ -	$ -	$ -	$ -	$ -
Net carrying value					
As at March 1, 2013	$ 10,441	$ 3,024	$ 8,863	$ 8,428	$ 30,756
As at February 28, 2014	$ -	$ -	$ -	$ -	$ -

9. Share Capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

The Company has issued common shares as follows:

	February 28, 2014			February 28, 2013		
	Number of Shares		**Amount**	Number of Shares		Amount
Balance, beginning of year	**46,035,000**	**$**	**15,238,612**	**34,700,000**	$	**11,617,706**
Issued during the year for:						
Cash – equity financing	**-**		**-**	**10,000,000**		**3,000,000**
– options exercised	**-**		**-**	**1,335,000**		**400,500**
Contributed surplus allocated	**-**		**-**	-		**273,763**
Share issue costs	**-**		**-**	-		**(53,357)**
Balance, end of year	**46,035,000**	**$**	**15,238,612**	**46,035,000**	$	**15,238,612**

During the year ended February 28, 2013, the Company issued common shares as follows:

a) Issued 1,335,000 common shares pursuant to the exercise of stock options at a price of $0.30 per share for cash proceeds. Contributed surplus allocated to share capital upon the exercise of stock options was $273,763.

b) In January 2013, the Company completed a non-brokered private placement consisting of 10,000,000 units ("Units") at $0.30 per Unit for gross proceeds of $3,000,000. Each Unit was consisted of one common share ("Share") and one non-transferrable share purchase warrant ("Warrant"). Each Warrant is exercisable to acquire an additional Share of the Company at a price of $0.40 per Share until January 22, 2015, or at an exercise price of $0.55 per Share until January 22, 2016. A finder's fee of 5% was paid on certain portions of the offering for a total of $21,259. Costs of $53,357 associated with the placement were charged to share capital.

10. Stock Option Plan

The Company has adopted an incentive stock option plan (the "Plan"), the essential elements of which are as follows: The aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan, which was approved by shareholders on November 27, 2013, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At February 28, 2014 the maximum number of options issuable under the Plan was 9,207,000. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the grant date, less the maximum discount permitted by TSX–V), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options granted under the Plan are generally exercisable immediately following the grant however certain options may be subject to vesting at times as determined by the directors of the Company and the TSX-V.

10. Stock Option Plan (Continued)

A summary of the changes in share options during the year ended February 28, 2014 and 2013 are as follows:

	February 28, 2014		February 28, 2013	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	6,615,000	$ 0.43	6,535,000	$ 0.70
Forfeited/expired	(225,000)	0.43	(795,000)	0.62
Exercised	-	-	(1,335,000)	0.30
Granted	2,165,000	0.19	2,210,000	0.38
Options outstanding, end of period	8,555,000	$ 0.35*	6,615,000	$ 0.43**

There were Nil (February 28, 2013 – 1,335,000) options exercised during the year at a weighted average exercise price of $Nil (February 28, 2013 – $0.30) and a weighted average trading price at the time of exercise of $Nil (February 28, 2013 – $0.50).

* During the year ended February 28, 2014 the Company re-priced 425,000 options priced at $0.50, to an exercise price of $0.18; 125,000 options priced at $0.41, to an exercise price of $0.18; 250,000 options priced at $0.36 to an exercise price of $0.18. These re-priced options had a fair value of approximately $0.04, $0.03 and $0.02 per option respectively. The Company recognized an additional $17,994, $4,058 and $5,780 in share-based compensation from the re-pricing of these options respectively.

** During the year ended February 28, 2013 the Company re-priced 1,440,000 options which ranged in price from $0.85 to $1.31, to an exercise price of $0.50; 1,040,000 options which ranged in price from $0.85 to $1.15, to an exercise price of $0.41; and 250,000 options priced at $0.70, to an exercise price of $0.36. These re-priced options had a fair value of approximately $0.20, $0.14, and $0.23 per option respectively. The Company recognized an additional $125,180, $94,723, and $10,467 in share-based compensation from the re-pricing of these options respectively.

The following table summarizes information about the stock options outstanding and exercisable at February 28, 2014:

Outstanding Options				Exercisable Options		
Range of Prices ($)	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.01 - 0.49	6,465,000	6.64	$ 0.30	3,438,750	4.63	$ 0.34
0.50 - 0.99	2,090,000	1.77	0.50	2,090,000	1.77	0.50
	8,555,000	5.45	$ 0.35	5,528,750	3.55	$ 0.40

10. Stock Option Plan (Continued)

The fair value of options granted and re-priced during the year ended February 28, 2014 and 2013, was estimated at the grant date using the Black-Scholes option pricing model, with the following assumptions:

	2014	2013
Expected annual volatility	**92%**	93%
Risk-free interest rate	**1.36-2.44%**	1.77-1.79%
Expected life	**9.56 years**	10 years
Expected dividend yield	**0.00%**	0.00%

Share-based compensation expense of $225,298 (2013 – $971,885) was recognized in the year and was allocated to contributed surplus. Share-based compensation has been allocated as follows:

	2014	2013
Administrative	**$ 208,818**	$ 403,962
Directors' fees	**2,664**	447,869
Mineral property exploration expenditures	**13,816**	120,054
Total	**$ 225,298**	$ 971,885

11. Warrants

At February 28, 2014, the Company had 10,000,000 outstanding warrants (2013 – 10,000,000) to acquire common shares. Each warrant currently outstanding is exercisable to acquire common share of the Company until January 22, 2016, at a price of $0.40 per common share, and at an exercise price of $0.55 per common share if exercised between January 23, 2015 and January 22, 2016.

12. Related Party Transactions

a) During the year ended February 28, 2014, a total of $169,605 (2013 - $238,525) was paid or accrued for related party transactions with companies controlled by directors or officers of the Company for mineral property exploration costs, administrative support fees, rent and consulting fees. Amounts due to directors or officers of the Company of $19,817 at February 28, 2014 (February 28, 2013 - $27,228) are non-interest bearing and are due on demand.

The total of $169,605 for the year ended February 28, 2014 was paid or accrued as follows: $145,827 (2013 - $206,192) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees and $23,778 (2013 - $32,333) to Rogo Investments Pty Ltd., a company controlled by a director of the Company for office rental fees which are priced at commercial market prices.

b) During the period, the Company shared costs of certain common expenditures including administrative support, office overhead and travel with Exeter Resource Corporation ("Exeter").

The Company, along with Exeter, incurs certain expenditures for staff, including the salary of the Chief Financial Officer and exploration expenditures on behalf of each other. The net amount paid or accrued by the Company to Exeter during the year ended February 28, 2014 was $289,182 (2013 - $296,672). As at February 28, 2014, the Company had amounts payable of $13,832 (February 28, 2013 - $133,095) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

13. Executive Compensation

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and the board of directors.

The following compensation has been provided to key management personnel for the years ended February 28, 2014 and 2013.

		2014		2013
Compensation - cash	$	**229,485**	$	250,192
Share-based payments		**5,995**		494,139
Total	$	**235,480**	$	744,331

14. Financial Instruments

(a) *Fair Value*

The carrying amount of amounts receivable, due from related party, accounts payable and accrued liabilities and due to related parties approximates fair value due to the short term nature of these financial instruments.

(b) *Financial Risk Management*

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange currency risk, liquidity and interest rate risk.

<u>Credit risk</u>

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and holds balances in banks in Colombia and Philippines as required to meet current expenditures. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

<u>Currency risk</u>

The Company operates in Canada, Colombia and the Philippines and it is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities are denominated in several currencies (mainly Canadian Dollars, US Dollars, Colombian Pesos and Philippine Pesos) and are therefore subject to fluctuation against the Canadian Dollar. Such foreign currency balances, which are held in the Company's Colombian and Philippine subsidiaries, are subject to fluctuations against the Colombian Peso, and Philippine Peso respectively.

14. Financial Instruments (Continued)

Currency risk (Continued)

The Canadian parent company had the following balances in foreign currency as at February 28, 2014 and 2013:

February 28, 2014

	US Dollars	Australian Dollars
Cash	16,193	-
Accounts payable	(9,494)	-
Net balance	6,699	-
Equivalent in Canadian Dollars	8,439	-
Rate to convert to $1.00 CDN	1.2597	-

February 28, 2013

	US Dollars	Australian Dollars
Cash	35,565	-
Accounts payable	(12,967)	(16,238)
Net balance	(22,598)	(16,238)
Equivalent in Canadian Dollars	23,308	(17,102)
Rate to convert to $1.00 CDN	1.0314	1.0532

Based on the above net exposures as at February 28, 2014, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar and Australian dollar against the Canadian dollar would result in an increase/decrease of $844 and $Nil (February 28, 2013 - $2,331 and $1,710 respectively) in the Company's net loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on the cash and cash equivalents. Cash and cash equivalents earn interest based on current market interest rates, which at February 28, 2014 ranged between 1.25% and 1.35%.

Based on the amount of cash and cash equivalents held at February 28, 2014, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an increase/decrease of $14,896 (2013 - $25,515) in the interest earned by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at February 28, 2014 in the amount of $2,995,819 (2013 - $5,102,961) in order to meet short-term business requirements. At February 28, 2014, the Company had current liabilities of $108,874 (2013 - $287,192) which are due on demand or within 30 days.

15. Segmented Information

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development. The Company's net assets and net losses by geographic regions are as follows:

February 28, 2014	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	$ 2,848,694	$ -	$ -	$ 44,869	$ 102,256	$ 2,995,819
Amounts receivable and prepaids	48,835	-	-	3,209	5,617	57,661
Mineral properties	-	-	-	108,201	-	108,201
	2,897,529	-	-	156,279	107,873	3,161,681
Current Liabilities	(81,729)	-	-	(26,456)	(689)	(108,874)
	$ 2,815,800	$ -	$ -	$ 129,823	$ 107,184	$ 3,052,807
Project evaluation expense	$ -	$ 45,498	$ 63,266	$1,005,718	$ 163,244	$ 1,277,726
Net loss – year ended February 29, 2014	$ 735,360	$ 45,498	$ 85,641	$ 1,099,120	$ 169,728	$ 2,135,347

February 28, 2013	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	$ 4,950,255	$ -	$ 13,380	$ 102,413	$ 36,913	$ 5,102,961
Amounts receivable and prepaids	35,277	-	-	-	-	35,277
Exploration advances	-	26,895	28,527	33,042	1,006	89,470
Property and equipment	24,027	6,729	-	-	-	30,756
	5,009,559	33,624	41,907	135,455	37,919	5,258,464
Current Liabilities	(246,576)	-	(18,137)	(18,614)	(3,865)	(287,192)
	$ 4,762,983	$ 33,624	$ 23,770	$ 116,841	$ 34,054	$ 4,971,272
Project evaluation expense	$ -	$ 30,332	$ 677,414	$ 886,219	$ 274,951	$ 1,868,916
Net loss – year ended February 28, 2013	$ 1,175,884	$ 30,332	$ 962,238	$ 983,197	$ 296,228	$ 3,447,879

16. Income Taxes

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

		2014		**2013**
Loss before income taxes	$	2,135,347	$	3,447,879
Combined federal and provincial tax rate		26.00%		25.00%
Income tax recovery based on the above rates	$	(555,191)	$	(861,970)
Increase (decrease) due to:				
Non-deductible expenses		58,577		242,971
Losses and temporary differences for which an income tax asset has not been recognized		624,756		781,009
Difference between Canadian and foreign tax rates		(91,949)		(120,038)
Foreign exchange and other		(36,193)		(41,972)
Income tax expense	$	Nil	$	Nil

The Canadian statutory tax rate increased to 26.00% due to legislated changes.

		2014		2013
Non-capital losses	$	646,003	$	581,920
Tax basis over carrying value of mineral properties		2,009,540		2,013,511
Share issue costs		20,084		33,756
Other		-		19,299
Unrecognized deferred tax asset	$	2,675,627	$	2,648,486

As at February 28, 2014, the Company has Canadian non-capital losses of approximately $2,484,604 that may be applied to reduce future taxable income. If not utilized, the non-capital losses expire as follows.

2027	$	4,758
2028		35,595
2029		225,122
2030		207,933
2031		370,634
2032		597,763
2033		543,750
2034		499,049
Total	$	2,484,604

Tax benefits have not been recorded as it is not considered more likely than not that they will be utilized.

17. Subsequent Events

i) Subsequent to February 28, 2014 the Company entered into an option agreement with an Australian listed company, De Grey Mining Limited, to acquire an 80% interest in the Great Northern Gold Project. The Agreement grants Rugby an option to earn an 80% interest in a tenement package (the "Tenements") and an additional option to purchase an 80% interest in a near surface historical resource at Wingina Well (together with the Tenements, the "Great Northern Gold Project").

Pursuant to the Great Northern Gold Project Agreement, Rugby paid De Grey A$100,000 and will have two options as follows:

1) a three year option to acquire an 80% interest in the Tenements by incurring a total of A$2 million in expenditures with a minimum total expenditure commitment of A$500,000; and

2) an option to purchase an 80% interest in the historic near surface resource at Wingina Well for A$3 million, by paying A$2 million at any time within 54 months of date of the Great Northern Gold Project Agreement (March 20, 2014) and a further A$1 million within 30 days of a decision to mine any part of the historic resource at Wingina Well.

ii) Subsequent to February 28, 2014, the Company, along with the Comita concession holder, amended its Option Agreement over the Comita project such that the dates to meet the expenditure and drilling requirements have been extended.

The terms of the original Option Agreement were such that the Company was granted 5 years or until October 20, 2015 to meet the completion requirements as set out in Option 1. The Company will now have until October 20, 2018 to complete the requirements for "Option 1" as outlined above in Note 7.

Similarly under the original terms of the Option Agreement, Option 2 as set out above, granted the Company a further 3 year option or until October 20, 2018 to complete the stipulated requirements. The deadline to complete Option 2 was also amended such that the Company will now have until October 20, 2021.

iii) Subsequent to February 28, 2014 the Company, having met its expenditure requirement to earn a 60% interest in Hawkwood, entered into an agreement with Eastern Iron for the sale of the project. The Eastern Iron purchase consideration for 100% of Hawkwood was a 2% net smelter royalty (NSR). In order to facilitate the sale of Hawkwood, the Company and Rowen amended the Hawkwood Option such that (i) Rugby's 60% interest in the project vested without payment of any further consideration, (ii) Rugby would acquire 100% interest in Sunland and (iii) Rugby would hold the NSR as to 1.2% for its own account and 0.8% on behalf of Rowen.

The Company will have no further obligations or direct involvement in Hawkwood going forward.